

Bennett
contest
pulls
together

Royal
Wedding



Colour
Magazine

Ceasefire holds in Middle East

The ceasefire between Israel and the Palestinians held, despite rocket attacks on territory controlled by Israeli-backed Christian militias. The attack was said to have been the fourth since the truce began on Friday. There is concern about a Palestine Liberation Organization group that refuses to comply with the ceasefire. Israel is thought to be worried about recent United States criticism and is determined to maintain the truce. It is now hoped that Mr Philip Habib, the United States envoy, will resume efforts to negotiate the withdrawal of Syrian missile batteries from the Bekaa Valley in Lebanon. **Page 10**

Lord Widgery dies at 70

Lord Widgery, Lord Chief Justice of England and Wales from 1971 to 1980, died on Sunday night. He had just turned 70 and was in poor health. He was appointed a High Court judge in 1961 and conducted the 1972 inquiry into the "Bloody Sunday" which left 13 people dead. **Obituary, page 18**

CIA director to be investigated

Mr William Casey, director of the CIA, is to be investigated by the Special Intelligence Committee of the United States Senate after a report that he had planned a covert scheme to overthrow the Libyan government and "remove" Colonel Gaddafi from power. **Page 9**

Dental charges revision urged

Dentists should be paid for the number of children they treat and not for the number of teeth extracted and filled, a Government-commissioned report says. The method, which is used by family doctors, is favoured by the report's authors as a method of encouraging preventative dentistry. **Page 4**

Lord Swann quits Oxford

Lord Swann has resigned the much-coveted position as Provost of Oriel College, Oxford, after only one year in the post. The former chairman of the BBC has said his public responsibilities, particularly since his elevation to the peerage this year, leave him too little time for the job. **Page 2**

Anger over poly plans subsides

Local authority leaders received with surprise when government proposals to remove most higher education institutions from their control and turn them into independent corporate bodies. They had previously expressed anger at leaks of identical plans for polytechnics. **Page 4**

Riots flare again in Toxteth

Black leaders blamed police harassment for a resurgence of rioting in Toxteth on Sunday night, when two taxi drivers were injured, one seriously, by black and white youths in petrol bomb attacks. Drivers have threatened to boycott the area. **Page 4**

Kissinger in The Times

The problems of the European alliance, negotiations with the Soviet Union and the North-South dialogue will be discussed in *The Times* later this week in an article by Dr Henry Kissinger, the former United States Secretary of State. He says: "We have a remarkable opportunity now that America is no longer in trauma."

Loner Bradman

Don Bradman "the greatest batsman in the history of cricket" was a loner and a loner who inspired "no real comradeship". Jack Fingleton examines Bradman's strengths and weaknesses today in the second extract from his book, *Batting from Memory*. **Page 13**

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£500m package aimed at cutting jobless by 216,000

By Julian Haviland, Political Editor

The Prime Minister in the Commons yesterday announced plans to spend up to an extra £500m net next year to reduce the number of unemployed by some 216,000 by March 1983. For the remainder of the present financial year, only £50m extra is to be committed beyond the £90m already made known for extending the Youth Opportunities Programme. The Government calculates that that will raise from 270,000 to 370,000 by March of next year, the numbers who will have been kept off the unemployment register by a string of short-term measures. Mr Michael Foot, Leader of the Opposition, described the measures as "a derisory package, to deal with such a major problem". But he hedged his bet by describing it as a U-turn. Conservative backbenchers were enthusiastic. The main scheme remains the Youth Opportunities Programme, for which 110,000 extra places are to be provided this year, making a total of £500m. The programme offers those aged 16 and 17 places on training courses and in work experience schemes, which at present last on average less than six months. A tax-free allowance is paid by the Government of £23.50 a week. There have been complaints in some parts of the country that that is not enough, and many complaints that some of the places do not provide rewarding work or any degree of training. Mrs Thatcher told the Commons that Mr Michael Heseltine, Secretary of State for the Environment, had reported that some young people in Merseyside complained to him of doing "cosmetic" work. The Government was looking, she said, at how to provide a better training scheme to replace the programme. But she confirmed that the Government would extend to next year the commitment already given for this year—to guarantee every school-leaver the offer of a place by Christmas. This is likely to cost £350m gross in 1982-83. A new form of job subsidy, put forward by the Prime Minister's economic adviser, Professor Alan Walters, is designed to help school leavers. Employers will be paid £15 a week for every employee under the age of 18 they take on, provided they are in their first year of work and their earnings are below £40 a week. This is to overcome the problems that differentials between wage levels of young and adult workers in many industries are, in the Prime Minister's view, unrealistic, so that employers (as she told the Commons) cannot afford to take them on. The Government have committed £50m for this next year. They have not yet worked out the details. Another £50m in 1982-83 will be spent to provide school or college places for up to 50,000 young people whom the Government hope will want to stay on to get job qualifications. To help older people, the Prime Minister said, the age for the job release scheme is to be lowered from 64 to 62 from November next year, to 62 from February next year, until March, 1984. The purpose of job release is to help people who are nearing pensionable age to retire a year or two early, leaving a place for a new recruit who has to be from the unemployed register. The early retiree is paid a weekly tax-free allowance of £50.50 for a married person with a dependent spouse, and £40 for a single person.

Measures a boost to Tory morale

By Hugh Noyes, Parliamentary Correspondent, Westminster

Mrs Margaret Thatcher's job package announced yesterday at the start of yesterday's debate on the Government's economic and social policies, brought a joyous reaction from older paper waving Tories, a rather too instant reaction from Mr Michael Foot and a scornful dismissal by David Steel, the Liberal leader, as no more than a short-term palliative, not worthy of being designated a U-turn. Whatever the short or long-term effects of the package, it clearly did much for Tory morale, while the words of the Prime Minister appeared to indicate a new and deeper concern for the problems of the unemployed. With Mr James Prior, Secretary of State for Employment, seated beside her, Mrs Thatcher once again showed that on the big occasion she has little difficulty in up-staging the Labour leader. Mr Foot, clearly taking to his heels, last night in an employment by the Prime Minister, when he was accused of turning the debate into a musical hall farce, scarcely brought a smile to the faces of even his most enthusiastic supporters. But farcical or serious, he was no match for Mrs Thatcher. His biding by promising an alternative strategy of promoting the scale of the unemployment disaster that had fallen on the country. Whole communities, he said, were being left desolate and the infrastructure of the country was being battered by neglect. It all sounded too horrible for words and MPs were clearly wondering what Mr Foot was going to propose doing. The economy, he said, must be refuelled through the expansion of the public services. Labour would reduce indirect taxation and would cut the national insurance surcharge and heavy oil duty. It would also restore the fair balance of incomes. Conservative MPs were clearly not impressed and there was no widespread enthusiasm even on the Labour benches. Mrs Thatcher was stridently disapproving. There was no short cut to full employment, she told the House. The country must become competitive again. **Jobless forecasts, page 2**
Parliamentary report, page 6

Action by Gandhi to ban strikes in main services

Delhi, July 27.—The Indian Government today assumed wide powers to ban strikes in essential services as part of an economic recovery programme. The powers, contained in an ordinance promulgated by President Sanjay Reddy, were criticised by Opposition leaders and some trade unionists who called them "draconian" and reminiscent of Mrs Indira Gandhi's emergency rule from 1975 to 1977. But the move appeared to involve minimal political risk for Mrs Gandhi, who has a huge Parliamentary majority. The treasurer of her ruling Congress Party, Mr F. M. Khan, said it was a step-in the right direction and that certain trade unions calling for strike action were "holding the country to ransom". But Mr Hemvati Nandan Bahuguna, the former petroleum minister, leader of the Democratic Socialist Front, said in a statement: "Any attempt to curtail legal trade union activity by draconian measures like this ordinance are doomed to failure." However, the measures are likely to be welcomed by industrialists who view higher productivity as a means of bringing down prices. The new powers are the strongest since strikes were banned during the emergency. The ordinance lists a number of services—including railways, banking, ports and airports, petroleum production and supply and post and telegraphs—as essential and allows the Government to declare other services in this category. It provides that strikers can be fined and jailed for up to six months, while the organisers of strikes can be fined and imprisoned for up to a year. An official announcement said the ordinance would be replaced by a bill to be introduced in Parliament next month. The anti-strike measures had been expected as part of a package to tackle economic problems in a country where even the smallest price rises gravely affect about half of the 600 million population who live below the poverty line. Prices of grain, sugar, edible oils, food and other manufactured products have all risen in the first half of the year after a fall late last year. Inflation is running at more than 15 per cent. Even in the agricultural field, where India had recent successes, the Government has had problems. It announced this month the purchase of 1.5 million tonnes of wheat from the United States to replenish stocks and combat price demands by farmers. On July 11 the Reserve Bank raised the bank rate from 9 to 10 per cent, and other measures to combat inflationary pressures. There was a sharp increase in the price of petrol and petroleum products this month to offset the cost of oil exploration. The only Government explanation for the new measures so far was contained in President Reddy's proclamation, which said he was satisfied that action was required to maintain essential services and the normal life of the community. —Reuters.



New studies of the future king and his bride by Lord Snowden. The Prince is in the uniform he will wear tomorrow as a Royal Navy Commander.

Last-minute rehearsal thrills St Paul's crowds

By David Nicholson-Lord and John Witherow

The Prince of Wales and Lady Diana Spencer gave crowds outside St Paul's Cathedral an unexpected bonus yesterday when they arrived without warning for a private rehearsal for tomorrow's wedding ceremony. Only a few sightseers were quick enough to catch a glimpse of Lady Diana when she arrived as she slipped in through a side entrance. But Prince Charles, arriving 20 minutes later, started a big cheer as he waved to the crowds opposite the main door of the cathedral and an even bigger one as he almost slipped on the steps, recovered himself, and waved again. Other members of the Royal Family to arrive at St Paul's in a new yellow Ford Escort included Prince Edward, Prince Andrew, the Duchess of Kent, and Lady Sarah Armstrong-Jones. In contrast to Prince Edward, who drove himself up to the bottom of the steps of St Paul's in a new yellow Ford Escort saloon car, Prince Andrew arrived several minutes after the others, bursting through the crowds in an obvious hurry and disappearing quickly inside. The earliest arrivals were Lady Diana's parents, Lord Spencer and Mrs Frances Shand-Kydd. Another surprise for the crowds, many of whom had waited several hours in hot sunshine, was the appearance of the Archbishop of Canterbury, Dr Robert Runcie, who took the couple through the spoken part of the marriage service. Also present was Lord Maclean, who is Lord Chamberlain has been responsible for the wedding arrangements. After the tension of the weekend, Lady Diana still looked a little nervous. She wore a high-necked blue and white summer dress with long sleeves. The rehearsal lasted less than an hour. When the couple emerged from the main door they waved to the crowds before driving off together. Police on horseback had to clear a path for the car in Ludgate Hill when the crowds surged through the barriers to get a better view. Princess Anne's daughter, Zara, was christened in a private ceremony at Windsor Castle yesterday. Virtually the whole of the Royal Family attended service, including Queen Elizabeth the Queen Mother, who is recovering from an illness following a leg injury. More than 3,000 men from the three services and Commonwealth armies will take part in tomorrow's wedding ceremony. Many will be from regiments

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and units of which Prince Charles is Colonel-in-Chief. Mrs Thatcher will line the two-mile route from Buckingham Palace to St Paul's and although extra vigilance will be maintained, none will carry ammunition for their rifles. Eleven bands, including one from the Metropolitan Police, will be stationed along the route. Some people have already started the long wait to the procession. A mother and daughter from the West Country, a father of three from Staffordshire and a runaway from a community home spent Sunday night in deck chairs in the Mall. "We are prepared with lots of food and when it runs out we shall take it in turns to buy some," Mrs Averil Harrison said. Mr Stephen Tinsley, a vehicle parts salesman from Staffordshire, arrived in a Union Jack T-shirt and a belt with the Welsh dragon emblazoned on it. "If you are going to be a

fanatic you might as well do a good job of it," he said. Meanwhile, the Royal Yacht Britannia set sail from Portsmouth yesterday for a three-day trip to Gibraltar where she will await the arrival of the Prince and the then Princess of Wales for their Mediterranean honeymoon cruise. Hundreds of cheering spectators lined the sea-wall as the yacht left with her band playing *Waiting for Maria*. Flying the flag of Rear Admiral Paul Greening, in command of the yacht, and with the white design at the stern, the Britannia gave a farewell blast on her horn as she passed through the harbour mouth. The yacht, named and launched by the Queen in 1953, has a crew of 21 officers and 235 men. She is one of the oldest Royal Navy ships afloat and has sailed more than 600,000 miles since she was commissioned. The London Weather Centre forecast light drizzle first thing tomorrow but said it could be over by late morning and the rest of the day will be bright and sunny. There is still plenty of hotel space in London this week and for those willing to pay up to £200 for a good view, there are many seats still vacant on specially constructed stands along the route. Many of the 330 seats on Westminster Tower's stand outside Charing Cross station are not taken. They are selling at £115. The London Tourist Board estimated that hotel occupancy levels for this month would stand at 66 per cent. An enormous wedding card arrived in London yesterday for the couple. It measures eight feet high, is 32ft wide and weighs 400 pounds. The card carried greetings from 25,000 people in Western Australia. President Constantine Karolos of Greece is suffering from an attack of kidney stones and will not attend the wedding. He will be replaced by Mr George Kallis, the Prime Minister. Mrs Nancy Reagan, who is representing the American Government at the wedding, was caught in London's heavy traffic yesterday and was half an hour late for a wreath-laying ceremony in St Paul's. This then made her late for her lunch appointment with Princess Margaret. The lone individual with a gun and a grudge could pose the greatest security risk for the wedding according to the senior Scotland Yard officer in charge of the biggest security exercise London has seen. Mr Malcolm Fraser, the Prime Minister of Australia, who was delayed in his country by industrial disputes, said yesterday that he will get to London in time for the wedding.

Springbok tour will continue

By Our Foreign Staff

The New Zealand Rugby Union decided yesterday that the Springboks rugby tour should continue in spite of the violence which forced the abandonment of the second match at Hamilton on Saturday. The Government is unlikely to intervene to stop the tour despite Saturday's rioting—the worst civil disturbance in the country's history, according to Mr Bob Walton, the Police Commissioner. About 20 demonstrators protested outside the Commonwealth Secretariat in Pall Mall, London, last night against the tour. Mr Robert Muldoon, the New Zealand Prime Minister, was expected to be among guests at a reception in the building, for Commonwealth heads of government in London for the royal wedding. A day of consultations between the New Zealand Government and police, the Cabinet agreed to give the police additional logistical support from the armed forces. Announcing this, Mr Duncan MacIntyre, the acting Prime Minister, said servicemen "would not take up any frontline duties". He said the police would be given authority to cancel any particular fixture in the light of the prevailing security situation if the grounds were not considered to be adequately fenced. The Government's stance on the tour is expected to be endorsed at a meeting of its rank and file MPs today. A canvas of opinion among them yesterday suggests that while some would favour calling off the tour, the majority would not, underscoring arguments for and riding issue in the debate. Mr MacIntyre said that law and order had become the over-riding issue for other ministers. Mr MacIntyre said the question was whether, in a democratic society, protesters, whatever the strength of their support, could be permitted to break the law. The Springboks remained in Hamilton last night while police palling proceeded for the next match at New Plymouth tomorrow. Camber reaction: Australia regards the New Zealand Government's opposition to the Springbok tour as "consistent with its adherence to the Glenageary declaration". Mr Malcolm Fraser, the Australian Prime Minister, said in a speech read for him in London yesterday (Our Diplomatic Correspondent writes). This is the first expression of support from a Commonwealth country for New Zealand, after the British Government made it plain that it believed Commonwealth criticism of the New Zealand Government's conduct was not justified. But Mr Fraser's text did not go so far as to say that New Zealand was correct not to withhold visas for the tour. Muldoon view, page 16
Leading article, page 17
Erol Tobias profile, page 20

Heffer admits risks in withdrawal from EEC

By Philip Webster, Political Staff

The Labour Party's plans for taking Britain out of the European Community within a year of winning a general election, without a referendum, were published yesterday. At a press conference in London to launch the 23-page statement, certain to be approved by the party's annual conference, Mr Eric Heffer, acting chairman of the home policy committee, admitted there were risks but said they were not insurmountable. The world trade pattern had changed and Labour could not simply pick up the pre-entry withdrawal agricultural products would be available much more cheaply on the world market. "Whatever risks there are can be offset by a vigorous policy of trading in the world rather than European market", Mr Heffer said. If, as is expected, the annual conference gives the statement a two-thirds majority, commitment to withdraw will almost certainly be in the next election manifesto. Sir James Scott-Hopkins, leader of the Conservative group in the European Parliament, said yesterday that Labour's plans would take Britain back to the dark days of 1939. Text extracts, page 2
Leading article, page 17

Cigarettes to go up by 3p and 4p

Imperial Tobacco will increase the retail prices of all Wills, Player's and Ogden's products from next Wednesday. Cigarette brands such as John Player Special King Size, Player's No. 6 King Size, Vanguard, Regal King Size and Lambert and Butler King Size will go up by 4p to 92p for 20. Other king size brands will go up by 3p to 84p. There will be increases of 3p per 20 in the case of all other filter cigarettes and cigars, and an increase of 4p on plain cigarettes. Prices of tobacco and cigars will also rise, by 3p per 25 grammes of Golden Virginia, 25p per 25 grammes of St Bruno Flake and 3p per five small cigars.

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Security along the route

Surveillance and searches reinforce armed squads

By Stewart Tandler, Crime Reporter

Scotland Yard and the City police today begin the final stage of one of the most complex security operations mounted for years. A blend of sophisticated gadgetry, manpower and plain, old-fashioned policing will be responsible for ensuring that the royal wedding passes off in peace.

State occasions are part of the London scene but illustrations of the potential dangers have recently been more than graphic. Within the space of a few months President Reagan and the Pope were both seriously wounded in assassination attempts and last month a replica gun with blank cartridges was fired close to the Queen during the Trooping the Colour ceremony.

The first line of defence against an external or internal threat has been in operation for months. A special unit monitoring passengers arriving at ports and airports has been watching for possible terrorists and checking them against a central index at Scotland Yard. Last year, before the wedding was announced, the 700 officers involved made 48,000 inquiries. At the same time the 1,200 men in Special Branch squads across Britain have been trying to evaluate the size and reality of any internal threat. They have at their disposal intelligence computer files with up to 600,000 entries and the voluminous records kept by MI5.

This week many of the 700 Special Branch men based in London have put on their smartest suits, slipped a

crowds. The City of London police have drafted in extra men from eight Home Counties forces to reinforce their complement of 800 officers.

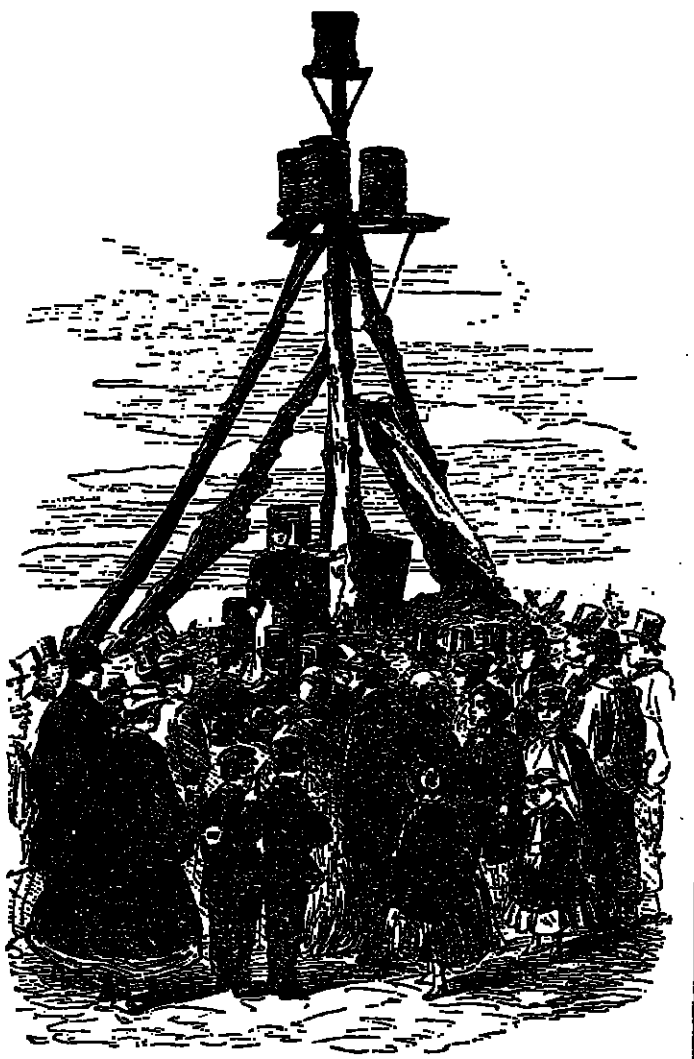
The uniformed men will be what Mr William Gibson, the Assistant Commissioner of the Metropolitan Police, yesterday described as "the front line". Among the sightseers will be more than 400 detectives from Scotland Yard's specialist squads. Last night they were getting their final briefings, and on the wedding day they will be on the streets as early as 5 a.m.

Others will be in reserve around London. They will be on their guard not only for the potential terrorist but also for the many opportunities for crime presented by the huge crowds. Scotland Yard believes a South American pickpocket group could be operating, and there will be many others looking for crimes of opportunity afforded by careless spectators.

Above the processions and the crowds police officers on high vantage points will report back to a special operations room at the Yard. Television cameras have also been set up along the route to watch for possible hazards.

In the background members of D11, the Yard's team of firearms experts, will be on hand, with a number of other armed uniformed men.

Fireworks and beacons



Building a bonfire on Hampstead Heath, north London, to celebrate the wedding of Edward and Alexandra in 1862.

Silver rain is forecast for London tonight

By John Witherow

The skies above London tonight will be rent by a white bang polka, octopus bombs with fiery tentacles, nests of humming birds, mines of silver serpents, peacocks' tails and silver rain.

Residents should not, however, take alarm and seek refuge in cellars, the Underground or nuclear shelters. These curious-sounding events are nothing to do with plagues of frogs, flies or locusts but are part of the elaborate display of pyrotechnics at Hyde Park in honour of the royal wedding.

A firework palace, 300ft long and 40ft high, has been constructed on the Cavalry parade ground, near Park Lane. It will be covered by hundreds of special firework effects and more than 30 set-piece patterns, which include the crests and badges of regiments connected with the Prince of Wales.

The finale, consuming two and a half tons of explosives in a mere 18 minutes, will be a giant sun in the form of a Catherine-wheel which will rise 170ft above the park while the palace is engulfed in a waterfall of fireworks.

The display will be synchronized to music played by the massed bands of the Guards and Household Cavalry, and accompanied by choirs and the boom of guns.

Conceived by Major Michael Parker, the mastermind of the Royal Tournament, the show is modelled on a display in Green Park in 1749 which celebrated the end of the War of Austrian Succession.

While Major Parker may have modelled tonight's show on that event, he will doubt be hoping to avoid a repetition of its unfortunate outcome, in which three people were killed. One of the dead was a spectator who fell out of a tree, and another drowned in a pond nearby.

The Royal Family, accompanied by several guests and heads of state, will arrive at 9.55 pm down an avenue of torchbearers. Crowds for the occasion are put at anywhere between 300,000 and 500,000, with millions watching on television.

Not with a bang, page 25

Irish reaction

Big event ignored in Dublin

From Tim Jones, Dublin

The Irish television company, RTE (Radio Telefís Éireann), has been criticized by some people in the republic for its decision to broadcast live the royal wedding for four hours.

In addition Dr Patrick Hillery, the President, has declined to attend and political figures have been careful to ignore the event. At St. Patrick's tomorrow Ireland will be represented by its Ambassador in London, Dr Eamon Kennedy.

Not a single souvenir is to be obtained in Dublin and even the British Airways office in sedate Crafston Street declines to portray the couple. Its frontage still bears the scars of past assaults.

A hundred miles away in Belfast, British bunting adorns a hundred streets. But in Dublin it is impossible to buy even a red, white and blue pencil.

Tomorrow, about 200 Welsh nationalists are due in Dublin, to be entertained by a folk group singing rebel and anti-British songs. They probably believe that most Irish people think like Mr Labhras O Murchu who has received publicity for his appeal for RTE to abandon its wedding coverage.

Mr O Murchu said: "In the present tragic circumstances, with Irishmen suffering agonizing deaths in the B-blocks, it would be an obscenity to inflict the pseudo pomp and power display of the British Administration on the homes of Ireland."

"Surely, with so much at stake, no self-respecting Irish person would object to forgoing the royal ballyhoo."

In fact, in spite of the apparent evidence, it seems that most people in the republic do want the opportunity of seeing the wedding. RTE said yesterday that an overwhelming number of telephone calls received had been from people who favoured the decision to show the spectacle.

Mr Patrick Hennessy, of Dun Laoghaire, said: "It is a poor principle to let this violent world of hate and injustice endure for so many for so long."

Many people in the republic will watch the wedding almost as an act of defiance to demonstrate that they can enjoy a grand spectacle without having their national identity diluted.

Most, however, will watch it for the simple reason given in the RTE guide: "The wedding is a sheer winner for television. It has everything required to make a magnificent documentary, a visual feast of tradition and pageantry for which England is famous: mixed with all the ingredients of a fairytale royal romance."

TELEPHONE LINK RESTRICTED

Telephone circuits between London and Gibraltar will be greatly restricted between 9 am and 6.30 pm tomorrow because satellite circuits will be devoted to the transmission of royal wedding pictures (Bill Johnston writes).

The Gibraltarians will be taking pictures from the BBC via the Intelsat satellite net work.



Mrs Nancy Reagan waving to sightseers at St Paul's Cathedral yesterday after laying a wreath in the American memorial chapel. Heavy traffic caused her to be more than half an hour late for the ceremony.

Mrs Reagan's troubled day

Sightseeing jams delay the First Lady

By David Nicholson-Lord and Peter Waymark

Mrs Nancy Reagan, the official representative of the American Government at the royal wedding, was late for two appointments yesterday because of traffic jams in London.

Despite an escort of four police motorcycle outriders, her conveyance of eight cars took an hour to travel the three miles from the United States ambassador's residence near Regent's Park to St Paul's Cathedral.

She was half an hour late at a ceremony to lay a wreath in the American memorial chapel and Mrs Reagan could stay only 15 minutes before leaving for a late lunch with Princess Margaret.

Miss Barbara Cook, her assistant press secretary, said: "The

traffic. It's so awful. We are running very late."

The build-up of traffic in London was attributed largely to the arrival of tourists for the royal wedding. Pavements were clogged with sightseers and many more were driving along the route of tomorrow's procession.

Traffic in parts of central London was reduced to a crawl from mid-morning as thousands of people thronged the procession route. The sheer numbers of pedestrians spilling off the pavements made it difficult for drivers of vehicles.

Roads along the route, The Mall, Trafalgar Square, the Strand, Fleet Street and Ludgate Hill, were solid with traffic

for several hours and there were jams, too, in adjoining roads. "It was real bumper to bumper stuff," the Royal Automobile Club said.

The school holidays have just begun and many children were among the crowds. Buses were held up and taxi drivers took more than an hour covering journeys that would normally take 15 or 20 minutes.

Police said motor cycle outriders were provided for Mrs Reagan and police stations along her route were asked to clear traffic.

Mrs Reagan, wearing a black and white three-piece floral suit with matching shoes and a black straw hat, was accompanied by a mass of armed

Special Branch detectives and secret servicemen.

She and the ambassador, Mr John Louis, were met on the steps of St Paul's by the Very Rev Alan Webster, Dean of the cathedral, who took them to the American chapel before a brisk tour of the cathedral.

Mrs Reagan used a quick word with the 30-strong American press corps outside the cathedral. Asked if she was looking forward to the wedding, she replied: "Yes, I certainly am. Isn't everyone?"

No one asked her if she was looking forward to the crawl through London traffic to Kensington Palace. An embassy official added: "It's just not like this in Washington."

Wedding gold

Mining boom in the Welsh hills

By Liz Davies

The world's lowliest and poorest gold mine has been inundated with orders since the announcement of the royal wedding. One order for 1,000oz was from a company which wanted to make gold souvenir dragons.

Set in the Snowdonia National Park at Bontddu, by the Cwm Lichen river, it is the mine from which the original nugget for the right for Queen Elizabeth the Queen Mother's marriage in 1923 was mined.

Its owner is Mr Ray Thackwell, a 48-year-old Australian, who thinks the mine is worth at least £40m. He was in Britain on a visit three years ago when he saw a piece of quartz that a friend's son had picked up on a Scout jamboree in the area. His adventurous antennae led him to Jack Williams, whose family had worked the mine since 1854 and who lives at a farm near by.

He went down the mine and could not believe the evidence of his eyes. An assay report estimated that there could be up to 740oz of gold per ton of ore in the high grade pockets, though it is more likely that there would be about 400 oz a ton; a well run mine in South Africa can function on less than one ounce a ton.

He bought the mineral rights of 150 acres and has recently applied for the mineral rights of the whole area from Barmouth to Bala.

But the mine needs about £1m for modernization and while Mr Thackwell has had no success in attracting British companies in investment in Welsh gold, three Australian public companies have shown interest in floating a new company in Britain.

So far they are satisfied that the ore is of the required quality and are trying to find out exactly what machinery is required and the average value of the mountain.

Orders have been pouring in since the announcement of the wedding.

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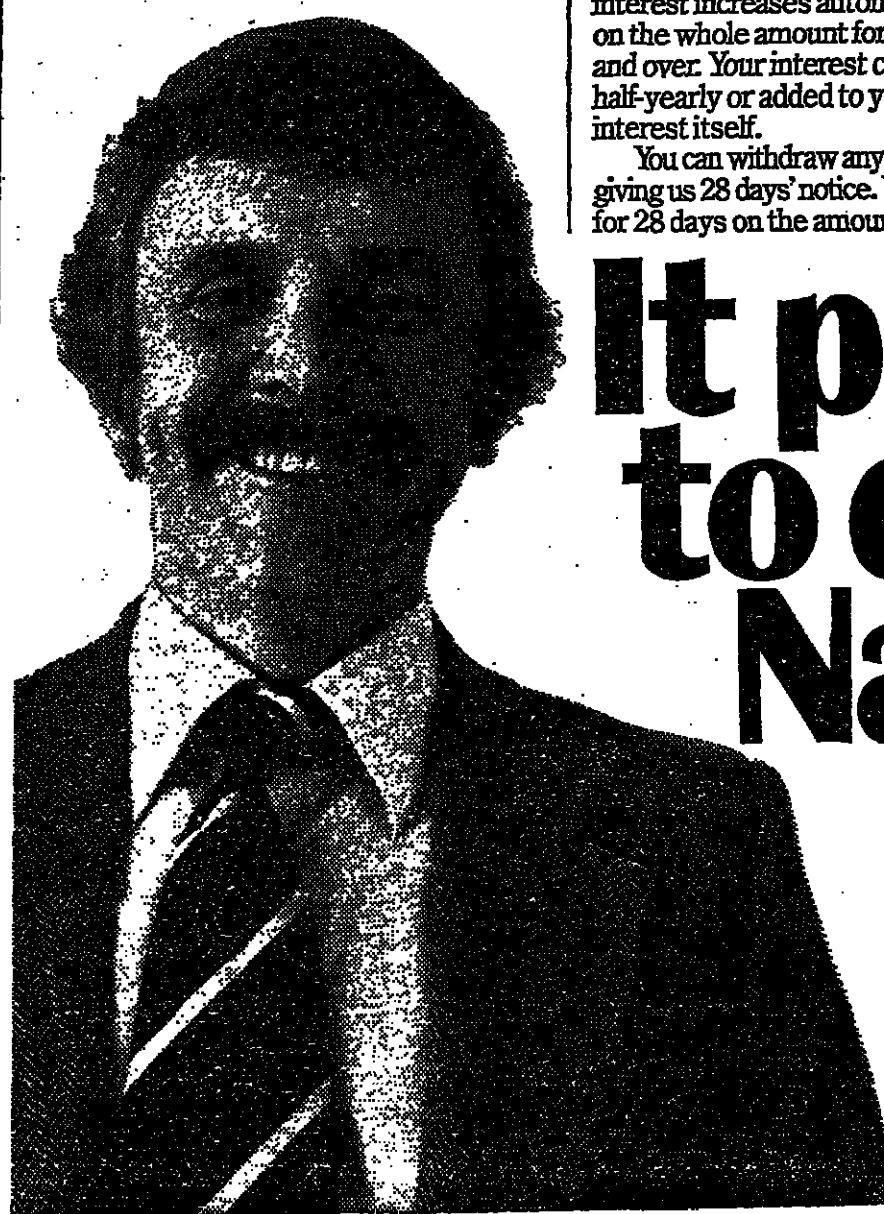
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PARLIAMENT July 27 1981

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27th.Government package
to help youngsters

CENSURE DEBATE

Details of Government plans to help young people get jobs were announced by Mrs Margaret Thatcher, the Prime Minister, speaking in the Commons debate on an Opposition motion of censure.

She explained that the total net cost of fulfilling Youth Opportunities Programme undertakings and other measures might cost up to £150m in 1982-83 and these extra costs would have to be accommodated within the general framework of the Government's medium-term financial strategy.

She outlined a new scheme to be introduced early next year at a cost of about £60m in a full year under which employers would be offered a weekly payment of £15 for each employee under 18 in their first year of work, provided they were earning below £40 a week.

Mr Michael Foot, Leader of the Opposition, condemned the new package as derisory for dealing with a major problem.

Mr Foot (Bobby Vale, Lab) moved the Opposition motion which stated: "That this House has no confidence in the Government whose economic and social policies are spreading mass unemployment, undermining British industry and demoralizing the country."

He said that if there was anything more offensive even than the horrors that had been called upon to endure it, it was the Prime Minister's claim that there was no other path but the road to ruin which she still pursued.

The immediate reason for the censure motion was provided by the July unemployment figures. The return to mass unemployment had dominated the last two tragic years, rising by 1,400,000.

So numb did we become (he said) by the increase in these figures month after month that we almost ceased to think of them in human terms. We have almost reached the stage where a monthly rise of 30,000 in the underlying level is represented in some quarters as a blessed relief or something like that.

Mr Thatcher, he said, made comparisons with Labour's period in office and his own period at the Department of Employment. But apart from the difference in the total unemployed then, Labour had sustained the actual number of jobs and people in jobs.

Secondly, Labour had fought with some eventual success to bring down the unemployment total by special measures or artificial jobs as the Prime Minister used to call them during the election.

But she is only too glad (he claimed) to have these schemes at her disposal now. (Labour cheers.) Indeed, they provide the only anti-unemployment policy she has got. The more which the builders rejected has now become the head of the coin. I daresay she will describe today how she seeks to expand some of these jobs.

The more the Government followed the straight and narrow path of the true monetarist faith, or the policies of Mrs Thatcher, or the policies of more spending cuts such as she and the Chancellor were still forecasting a few months ago, the more the public sector borrowing requirement would be increased by the bonfire of the public sector.

The Government was helping to rear a new generation in the belief that society had no regard for human values and that the Government's concern was only to prevent young people from being a nuisance. It could not provide them with adequate jobs, housing, training or higher education.

The Secretary of State for Employment might claim that there was to be a further expansion in the youth opportunities programme. There was talk of a £1,500m increase in the youth unemployment programme.

The Opposition would back that to the hilt. But it wanted to see the scheme, which it introduced in the first place, re-designed, overhauled and expanded.

On present plans the Government was this year removing £1,500m from the cliff. If the Prime Minister had made up her mind to throw some money at the problem it was the money she took away mostly from the same

worst-hit cities over the past 12 months. (Labour cheers.) There would be no up-turn without a U-turn of gigantic proportions and without that the prospect was that the 1980s only in that there would be greater unemployment, greater potential dangers of violence and an infinitely higher rate of inflation.

The Opposition's plan was part of a general strategy to deal with the deep-rooted economic and social problems of society.

First, there had to be refutation of the economy in order to return to full employment, and that refutation would be achieved as far as possible through the expansion of public services. Any thought that the country could return to full employment without such an expansion was nonsense.

It is our shame and our folly in this country (he said) that we have a lower level of non-defence public expenditure per head of the population than almost any other major industrial country.

But of course such a rebuilding of the economy presented problems—no one denied it for a moment. That is why Labour had faced this problem and stated its objectives and the way in which it would restore expenditure on education, social services and housing. It would encourage major investment programmes in the railways, housing, water supply, hospitals and schools (Labour cheers.)

Labour would reduce indirect taxation, especially the burdensome part, and cut the national insurance surcharge and heavy oil duty. It would restore the fair balance of incomes which this Government had destroyed.

As for direct taxation, to mention it in Mrs Thatcher's presence was almost an act of sadism, because it was on the idealistic cry of tax cuts for all, that she and Sir Francis Assisi found their way to the doorstep of 10 Downing Street.

There was an even more serious charge against the Government. It was not responsible for what had developed, but was responsible for the reaction to the nuclear arms race. The Government was responsible for failing to respond. All that the Government could offer was to say that the defence of the country must rest upon the Trident and the maintenance of the deterrent for 10 to 30 years ahead.

If that was the only way the Government could respond to such matters, it would not find much response throughout the country, and in many other parts of the world.

They must seek a new way to deal with the curse of mass unemployment which had returned to this country and a new way to deal with the nuclear arms race

which threatened the whole of mankind. He suggested that to apply a dose of further general refutation now, when the money supply was rising as it was, would be to create accelerating inflation, leading inevitably to a higher unemployment. (Conservative cheers.)

Mr Foot's call for refutation bore no relation to the basic problem of the British economy—the lack of demand. It was a diversionary tactic to pump more money in would stimulate inflation once again and all the efforts made over the past two years to bring about a sense of realism would have been wasted. (Labour interruptions.)

Mr Foot's policies (he said) were addressed to the root causes of the uncompetitive economy we inherited in 1979.

The first step to a stronger economy was to get inflation down. This was not some minority doctrinaire obsession (Labour shouts of "Yes it is") but a necessary precondition to any economic recovery. It was those who thought otherwise who were applying minority obsession with doctrinaire infatuation.

Inflation was the cause of unemployment, not the alternative to it.

There were calls for a programme of investment-led growth, but the Government was already providing vast resources to help the worst recession—Germany, France, Japan, and the countries which followed the very policies which the previous Labour Government rejected and which the present Government was now trying to follow. (Conservative cheers.)

If anything like the Labour-TUC proposals were adopted, the pound would plunge and inflation and interest rates would rocket. It would be no use pretending that reimposing exchange controls would help. What Mr Foot argued for was a policy of massive reflation. (Labour cheers.)

In the last few months, the Government had been discussing with industries ways in which such practical experience should be provided. The Government had pioneered the scheme at the Nottingham Hill Information Technology Centre providing computer and electronic training.

Following the success of that centre, the Government had approved a programme with, as a first target, 20 information technology centres concentrated in the inner towns and cities where young, unemployed people would be trained in computer and electronic assembly skills, because this was where the future genuine jobs lay.

The rates of increase of wholesale prices, retail prices, unit labour costs and average earnings had all fallen substantially. In most cases, the fall had been adjusted quickly to the ability of the employer to pay. The rate of increase in unemployment had been substantially declining over the past few months. Vacancies notified in July rose for the first time in six months and were the largest increase in over two years.

Order books in many industries were filling again. There were many encouraging signs of substantially more productivity in manufacturing industry.

Britain was continuing to be a successful trading nation. Exports were worth 33 per cent of the Gross Domestic Product, a higher proportion than in any other industrial country.

Industries which had taken steps to put themselves in a competitive position were the more likely to prosper in the future. There would be continued redundancies after years of overmanning which previous Labour governments refused to tackle. Unless these problems were tackled there would be no hope for rising prosperity. Labour had ducked it, but this Government was tackling it.

New enterprises were being formed. Under the new loan guarantee scheme to help small businesses, 100 loans had been guaranteed within the last month, many of them to new firms.

Contrary to what was usually thought, the level of investment in plant and machinery most closely connected to productivity, had shown a dramatic rise as compared to 1975 and 1978.

Major new foreign investment was being attracted as well. These were signs of success that were working through already, even in advance of an upturn in the economy. This was the kind of output and production which would bring about the very expansion and increase in genuine jobs which the Government desired.

Governments alone did not make economic recoveries. Individuals and companies did. What the Government could do was to ensure the conditions were such that companies could take advantage of the expansion as it came. They would not have been able to do so unless the Government had tackled the problems at their roots.

Special management measures had helped 80,000 people at a cost of £1,000m this year. The Government intended to develop these programmes not only to help people through a difficult time, but to do so in a way which would provide lasting benefits to the economy. They must do this both for young people and for some people who were older and without jobs.

There was evidence from many areas of increases in applications to stay on at school or college. The Government would provide an additional £60m in 1982-83 as it was good when young people chose to follow educational courses, many of a vocational nature, to obtain qualifications to help them get and keep jobs.

As a result, it was hoped up to 50,000 more young people would stay on at school or college.

But they must continue to provide for those who left school and failed to find work. She reaffirmed the undertakings given last November that all unemployed school leavers should this year be able to have a place on the youth opportunities programme by Christmas and that they would be given three months to young people who have been unemployed for three months.

That would require an extra 110,000 places this year on the YOP over and above the 440,000 originally planned. The Secretary of

State for Employment had today informed the Manpower Services Commission that the necessary resources for that would be provided.

There had been criticisms of the YOP. Not least from some of the young people who had taken part. Mr Michael Heseltine, the Environment Secretary, had already heard some from the young people of Liverpool.

They felt that the work they were being asked to do was cosmetic whereas they wanted positively to work for a business and to feel that they were receiving effective training.

Although the YOP had done a very job in terms of the demand made upon it, they must look at it more closely now to see that the experience provided was satisfying to the youngsters and that it gave the community which provided the resources best value for money.

We are (she went on) not only looking at the programme to see how it can be improved but we are giving further consideration to the provision of a better training scheme for the young which would eventually replace the existing programme.

Our aim is to reach the position where all young people on leaving school either move into further education, find a job, or are given the chance of vocational training or community service.

They wanted to help the individual and to strengthen the economy by having a better trained workforce.

A statement would be made when after consultations, they had reached conclusions.

More needed to be done to help school leavers into jobs. Because the wages of young people were so low, it was not attractive to those of experienced adults, employers could not afford to take them on even though they were willing. Many employers would like to help. This situation has come about because of unrealistic pay bargaining over the years. (Labour protests.)

It contrasts vividly with the situation in Germany where the wages of young people were much lower than those of experienced adults, and where consequently they had less youth unemployment. If they were to get more jobs for the same wages, as the Government wanted, trade unions and employers would have to take that into account in their bargaining.

The Government would provide some encouragement to employers to take on more young people at reduced wages and that their earnings were below £40 a week.

Full details of the scheme would be announced shortly. It was expected to cost about £60m in a full year.

Turning to the Job Release Scheme, she said that an exceptionally large number of people would be reaching normal retirement age in the mid-1980s. By bringing forward that peak of retirements, they could release jobs so that they could be taken by people at present unemployed.

The Government's proposal, therefore, was to lower the age for the Job Release Scheme until March 1984, from 64 to 63 this November and to 62 from February next year. (Opposition laughter.) It would cost about £150m in a full year.

A further proposal had been announced last week by Mr Patrick Jenkin, Secretary of State for Social Services. It was that those of 60 and over, unemployed and drawing supplementary benefit, for a year or more would be able from November to retire on the higher long-term rate of supplementary benefit. It would cost about £20m in a full year.

The Government would immediately develop further opportunities for voluntary service for unemployed people of all ages, by providing additional funds.

It would provide a further £4m for the remainder of this year and £8m in 1982-83 for voluntary work in connection with the Community Enterprise Programme.

There were also opportunities in social service and health, where community support for the handicapped and elderly depended on a wide range of voluntary services as well as on statutory provision.

An additional £2m would be available in 1982-83 to expand those activities and the departments concerned would be considering how best to apply the money.

The additional costs of meeting existing undertakings under YOP are estimated at about £50m for the rest of 1981-82. They might approach £350m in 1982-83 but that would depend, among other things, on the impact of the new scheme to encourage employers to take on more young people and of the increased educational expenditure, both of which could lower the costs of YOP.

The costs of the other measures were estimated at about £50m in 1981-82 and about £320m in 1982-83. For 1981-82, the extra would be met by a contingency reserve within the planned total for public expenditure. For 1982-83, it would be taken into account in the forthcoming review of public expenditure.

The figures were of gross costs which would partly be offset by lower expenditure on social security and higher tax receipts and by support from the EEC Social Fund.

The total cost of fulfilling the YOP undertakings and of the other measures might be of the order of £400m to £500m in 1982-83. The extra costs would have to be accommodated within the general framework of the Government's medium-term financial strategy. (Labour laughter.)

Thatcher: No to soft option
Foot: No up-turn without U-turn

Labour plans would make pound plunge

Mr Thatcher, the Prime Minister (Baroness Thatcher, C) said that Mr Foot had enunciated not one policy that would tackle unemployment at its roots. There was a world recession but the fact that the countries which were most efficient, had not got over-manning and whose governments had realistically faced the economic problems before 1979, had ridden the worst recession better—Germany, France, Japan, and the countries which followed the very policies which the previous Labour Government rejected and which the present Government was now trying to follow. (Conservative cheers.)

If anything like the Labour-TUC proposals were adopted, the pound would plunge and inflation and interest rates would rocket. It would be no use pretending that reimposing exchange controls would help. What Mr Foot argued for was a policy of massive reflation. (Labour cheers.)

In the last few months, the Government had been discussing with industries ways in which such practical experience should be provided. The Government had pioneered the scheme at the Nottingham Hill Information Technology Centre providing computer and electronic training.

Following the success of that centre, the Government had approved a programme with, as a first target, 20 information technology centres concentrated in the inner towns and cities where young, unemployed people would be trained in computer and electronic assembly skills, because this was where the future genuine jobs lay.

The rates of increase of wholesale prices, retail prices, unit labour costs and average earnings had all fallen substantially. In most cases, the fall had been adjusted quickly to the ability of the employer to pay. The rate of increase in unemployment had been substantially declining over the past few months. Vacancies notified in July rose for the first time in six months and were the largest increase in over two years.



Thatcher: No to soft option

Foot: No up-turn without U-turn

Those who supported him did so on the basis that there was a shortage of demand. They claimed there was a shortage of money in the economy. They argued, as in the thirties, that the right way forward was to increase demand by a policy of reflation. However, there just was not a shortage of demand at the present time. The market for cars was an example.

This year the Chancellor of the Exchequer (Sir Geoffrey Howe) had provided for an increase in the money supply of around 8 per cent.

This should translate into extra demand of £15,000m. If pay and price increases were modest there would still be room for growth and some new jobs. The Government's basic aim was to diversify the increase of money supply away from price and wage increases and into growth and more jobs.

All the evidence of the past 28 years suggested that to apply a dose of further general reflation now, when the money supply was rising as it was, would be to create accelerating inflation, leading inevitably to a higher unemployment. (Conservative cheers.)

Mr Foot's call for reflation bore no relation to the basic problem of the British economy—the lack of demand. It was a diversionary tactic to pump more money in would stimulate inflation once again and all the efforts made over the past two years to bring about a sense of realism would have been wasted. (Labour interruptions.)

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The Government believed that long-standing problems needed long-term solutions. (Conservative cheers.) There was no short cut to full employment. The country had to become competitive again. Labour believed there was a short cut—reflation.

That is a road (she said) that would take us away from becoming competitive and away from more jobs. It would take us towards hyper-inflation and higher unemployment. That is a road that we will not follow.

Increased wealth could not be enjoyed unless it was earned and the Government was committed to seeing that it was earned.

It will be hard work (she continued) and it will take time, but with our policies we can do it.

She urged the House to reject the soft options, the prospect of continuing economic decline, and reflation.

Steel: The lady is for turning out

Mr David Steel, leader of the Liberal Party (Roxburgh, Selkirk and Peebles, L) said it would be unwise at least not to welcome the Government's policies which Mrs Thatcher had announced to help to combat unemployment.

They were not deep enough or long-term enough, he said, to describe a U-turn. It was noticeable that the job release scheme, for example, was being put back to the point at which she found it.

The forecasts of output and manufacturing investment were gloomy. The bottoming out had not happened. In the absence of any clear and positive policy, unemployment was the only weapon the Government could have in that particular battle.

Nothing had been done during this Government's lifetime to change the atmosphere or the structure of wage bargaining. So even if Mrs Thatcher were more moderate now because of unemployment, the Government would be using the one weapon which had brought moderation to be gone.

That the world was in particular areas of the economy was justified. A small amount of selective public spending could be justified. The construction industry was on its knees, yet there were a million homes still without inside sanitation or running hot water.

While the Trident and nuclear power commitments to public expenditure remained, the Government insisted on pursuing niggling cuts like those in training and the BBC's overseas service.

Through the two major parties in the House might write off Warrington as a fluke, last Thursday Liberal and Social Democrat MPs had jointly had considerable victories. The people of this country were saying that if the lady was not for turning, she was for turning out and replacing with something better.

Mr Julian Amery (Brighton, Pavilion, C) said the Opposition's proposals would lead to a stagnation on eastern European lines and we would be heading for an even deeper crisis than that of the world. The Government was less self-sufficient. The Government was sticking doggedly to the fight against inflation and that he thought more important than finding a cure for unemployment, because inflation produced unemployment and hit the unemployed harder than anything else.

Mr Joel Barnett (Heywood and Rossington, Lab) said disappointment and expectations caused damage and some Labour MPs and members of the Social Democratic Party were still doing this. They implied it could be done by some "whiter than white" policy or "redder than red" policy. (Laughter.)

The implication of everything that Mrs Thatcher said, of her strategy, was that if they brought down the rate of inflation everything would be fine. There was no evidence that bringing down the rate of inflation would of itself solve the underlying problems of Britain's poor industrial performance.

The Prime Minister was alienating so many people that it was putting back the time when she would be able to get the cooperation which would be essential for even minimal success. The public were being fed on a diet of pretence. At best the average economic growth rate would not provide resources for any improvement in living standards for some years.

Mr Patrick Cormack (South West Staffordshire, C) said a small firm without resources but with an inventive capacity and determination to succeed should, if it took on an extra worker or two, be allowed to have for one or two years the equivalent of that man's sole money. The money was still being spent from the public purse but to much more productive ends.

Mr James Hamilton (Bothwell, Lab) said it was a serious charge against any Government to have brought in the rate of inflation, on the backs of three million unemployed.

Dr David Owen (Plymouth, Devonport, SDP) said the main charge against the Government throughout the last two years was there had been a sense that unemployment and higher tax receipts and by matter of prime concern to it.

It was not that the Government wished to see unemployment, but it was immensely insensitive to it. In judging the balance of priorities between keeping inflation down, which was rightly one of the most serious threats that faced them, and doing something about unemployment, it had chosen the wrong balance.

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Assault from Japan causing intolerable dislocation in West

TRADE

Britain was being confronted by an assault from Japanese exporters on a scale and narrowness which gave rise to economic and social dislocation in the West, Mr John Biffen, Secretary of State for Trade, said during exchanges on the United Kingdom's balance of trade with Japan. He did not believe this was tolerable.

Mr Biffen said that in 1980, United Kingdom companies exported to Japan goods worth £287m. Imports from Japan amounted to £1,712m.

The deficit on visible trade was, therefore, £1,425m, nearly offset by a surplus of £200m on invisible trade.

The Government is taking a prominent part in formulating European Community's trade policy towards Japan which calls for the moderation of Japanese imports to the Community and an increase in imports by Japan of Community products.

Bilateral and Commission representations have led recently to undertakings by Japan, which we welcome, to moderate car exports to the Community in 1981 and increase imports of manufactured goods from the Community.

The practical effect of these undertakings will be closely monitored.

Mr Geoffrey Roberts (Cannock, Lab): The Japanese success is based on their coordinated and far-reaching export policy and rigid protection of their home market. Unless Britain adopts the same type of initiative and protectionism for the home market, large sections of British industry will never mind any pseudo-agreements with the Japanese — will disappear altogether.

Mr Biffen: I do not accept his proposition that substantial expansion of protectionism would enhance the vitality of the British industry.

Mr Kenneth Carlisle (Lincoln, C): Japan has a tariff of 40 per cent against, for example, confectionery and biscuit imports from this country. This is hindering our export of these products substantially.

If Japan wants to export her manufactured products to Britain, she must lower these punitive tariff rates on our exports to Japan.

Mr Biffen: Yes, I do agree.

Mr Sydney Chapman (Barnet, Chipping Barnet, C): Notwithstanding the different tariffs, it is also important that Japan should allow our goods access that we allow them on such things as safety of products and specification. This is a problem to be faced by the Government.

Mr Biffen: I am not sure how much of the problem lies in the formal existence of restraints within Japan and how much of the problem is a cultural one. In the absence of constraints, they still have the determination to buy Japanese.

Sir David Price (Eastleigh, C): In terms of the balance of payments, we are over £1,000m in deficit to the Japanese and in the EEC as a whole, it is nearly £4,000m.

For all he says about cultural gaps in Japan, he has gone on for far too long. He should follow

not the EEC or British rules but French rules for attacking Japanese trade.

Mr Biffen: I would like to receive his advice as to what constitutes the advances of French rules. The present imbalance is going to give rise to continuing anxiety between the OECD countries and Japan, and simply cannot be allowed to proceed.

Mr Enoch Powell (South Down, Off UU): Is there any good reason why Britain's trade account with any one country should balance?

Mr Biffen: None, I am surprised that he should ask me that knowing my prejudices, as I know his. (Laughter.)

One confronted here by Japanese exporting industries on a scale and narrowness which gives rise to economic and social dislocation of the various countries to the West which is intolerable.

Mr Biffen: The French Government, rather than pussy-footing around with negotiations with Japan over car imports, have directed that no more than 3 per cent of their market might be taken by Japan.

Given the cultural difficulties with Japan over imports, we should take tough action of the kind that the French and Italians have taken.

Mr Biffen: The Italian action proceeds under trade restrictions incorporated in Community law. The French have applied an administrative procedure which I believe, were it to happen in this country,

would give rise to so much discretionary power on the part of civil servants that it would be rightly challenged in the courts.

Sir William Clark (Croydon, South, C): The Japanese have the advantage over us and other Western countries in that their overseas aid and thus take some of this responsibility from the Western countries.

Mr Biffen: If Japan had a defence budget in line with other OECD countries, Britain is likely to be a supplier to Japan, given our acknowledged skills in providing defence equipment.

Parliament today
Commons 2.30: Questions. Employment; Prime Minister. Transport Bill, Lords amendments. Debate on EEC documents on steel industry (2.30). British Nationality Bill, committee stage, seventh day.



Biffen: Monitoring of undertakings

No barriers to trade in Community

Exports to the European Community

Exports to the European Community from the United Kingdom had increased from 30 per cent in 1972 to 43 per cent in 1980, Mr Cecil Parkinson, Minister of State for Trade, stated.

Mr David Knox (Leek, C) who had asked for the statistics, said: The figures show clearly how beneficial membership of the EEC has been and how dangerous are suggestions that we should withdraw from the Community.

Mr Parkinson: He is right. What interests me is to see the number of representations from companies within this country explaining to us that the movement of the pound against the dollar is no longer the most important for them but that the movement against other European currencies is more important. This underlines increasingly that our trade is dependent upon Europe.

Mr Enoch Powell (South Down, Off UU): Do not the figures show it was beneficial for us formerly not to be in the EEC and the percentages were then reversed?

Mr Parkinson: The figures show that those who advise us to withdraw from the EEC should think carefully before they start arguing that case, because there is no doubt that one of the things which has caused the damage to the pound has been the removal of barriers to trade within the Community. That I believe is the way we ought to go in our trade with the rest of the world.

Mr Hugh Dykes (Harrow, East, C): Would it not appear that now it ought to get the answer would be a success of our EEC membership?

Mr Parkinson: The debate about whether we should be members is sterile and damaging. We ought to take advantage of the fact that we are members of the Community with a huge potential market where there are no barriers to our trade.

Mr John Fraser, an Opposition spokesman on trade (Lambeth, Norwood, Lab): What proportion of trade with Europe is in oil?

Mr Parkinson: Had we omitted oil from the figures the answer would have been much the same. Non-oil exports rose from 30 to 41 per cent compared with 30 to 43 per cent including oil.

Mr Parkinson: The fact that we have been fairly uniform, showing a substantial increase in trade.

Credit-card problems prove complex
The "substantial and escalating surcharges" associated with credit card transactions were increasing problems in reaching a decision on the matter.

Mr Edward Taylor (Southend, East, C) said during questions about the recommendations of the Monopolies and Mergers Commission on the surcharges.

Mrs Sally Oppenheim, Minister of State for Consumer Affairs, said the Government faced complex problems in reaching a decision on the matter.

PARLIAMENT continued

Mergers Commission and allow the previous situation to continue. Mrs Oppenheim (Gloucester, C): Mr Taylor has indicated some of the detailed complexities of the problem we now face in reaching this decision.

Confusion has arisen in some cases for consumers where surcharges have been imposed and in others where they have not. There are all things which are under consideration by the Government during the consultations we are holding.

Mr John Wilkinson (Hillingdon, Ruislip-Northwood, C): The situation is far from satisfactory. When will the Government bring forward proposals to the House to take measures appropriate to the recommendations of the Monopolies and Mergers Commission. A year has gone by.

Mrs Oppenheim: He has also pointed out the complexities of this issue, all of which the Government must consider in reaching a decision.

I am aware there is a degree of uncertainty at present and it is an unwelcome degree. We will be as quick as we can in giving full consideration to the representations made to us.

Mr John Stokes (Halesowen and Stourbridge, C): Whether we have any more surcharges to add is not these cards inflationary and encourage people to spend money they have not got? (Cue.)

Mrs Oppenheim: I am not sure that has been fully established. The majority of people using credit cards do not avail themselves of the full credit facilities but only the monthly facility.

It is more a service which is provided to those who are giving discounts for cash are those same people who are adding a surcharge for the use of credit cards.

She added that the recommendations of the Monopolies and Mergers Commission would not just affect garages but the whole of the retail trade and restaurants and hotels as well.

Many new firms being registered
The figures indicated that the upward trend in the number of bankruptcies might now have come to an end, Mr Reginald Eyre, Under Secretary of State for Trade, said at question time.

There was a high "birthrate" in the number of new firms being registered he added.

Earlier, Mr Eyre (Birmingham Hall Green, C) had told MPs that in the second quarter of 1981 the number of bankruptcies was 46 per cent higher than in the second quarter of 1979. In the first quarter of the year, the number of company liquidations was 104 per cent higher than in the same period of 1979.

Mr Stanley Clinton Davis, an opposition spokesman on trade (Hackney, Central, Lab), said the figures showed an appalling and deteriorating situation.

There is an obvious need, he said, for an efficient official receiver service. He would write to indicate what support he felt

receiving for his cockeyed scheme virtually to wind up the official receiver service and what reactions there have been from the Cork Committee for that proposal?

Mr Eyre: MPs will be relieved to know that the number of bankruptcies was slightly lower in the first quarter, and that of compulsory liquidations considerably lower.

These figures indicate that the upward trend may now have come to an end.

As to the procedures, we are awaiting the second part of the

Cork Committee report when the Government will make clear its announcement.

Mr Anthony Grant (Harrow, Central, C) asked what increase there had been in the number of new firms starting up in the same period.

Mr Eyre: We have seen a high birthrate in the number of new firms. No less than 69,100 new companies were registered in 1980. 81; the increased number of registered businesses in that same year was 153,200.

He said that interest rates had been a factor in the higher number of bankruptcies but the trouble was that in recent years there had been rising prices and reduced competitiveness, with a loss of employment.

Bomb squad successes
Mr Philip Goodhart, Under Secretary of State for the Armed Forces, in a written reply said that in 1980 Army teams neutralised 120 explosive devices, of a total weight of 6,405 lbs. No members of bomb disposal teams were killed or injured in the course of these duties.

In another reply, he said from January 1 to July 16 this year 8,242 baton rounds were fired by the Army in Northern Ireland.

Check on tank engine sales to Iran
HOUSE OF LORDS

Some firms may have illegally exported British tank engines to Iran but Alvis, the manufacturer, had not broken the law, Viscount Trenchard, Minister of State for Defence Procurement, said during questions in the House of Lords.

Lord Jenkins of Putney (Lab) had asked whether British tank engines had been illegally exported to Iran, whether Iran paid several times the market price to secure the illicit deal and who shared in the profits?

Viscount Trenchard: Investigations into whether engines have been illegally exported from this country have been in progress for some time. It would not be appropriate to comment further at this stage of the inquiries.

Lord Jenkins of Putney: Would he agree that the British Leyland subsidiary, Alvis, appears to have been involved in this deal and that appears to have gone ahead despite a Government embargo on such exports?

Will he make it clear that Alvis did not escape responsibility by dealing through an intermediary? Viscount Trenchard: At this stage of the inquiry I do not want to make many further comments. Alvis were the manufacturers and they have not broken the law.

At this stage of the investigation what I am prepared to say is it does appear other firms may have exported these engines illegally.

Lord Brockway (Lab): This is an extraordinarily serious statement, that some of our manufacturers and they have not broken the law.

What control is there at the ports for the export of these arms; surely licences have to be given? Is there machinery by which we can be assured that no arms without licences have to be given?

Viscount Trenchard: I am satisfied that the customs and excise controls, on a basis of export licences, do constitute an efficient system. At this stage of the investigation would rather not comment on any further.

Lord Bruce of Donnington, for the Opposition: How long does he expect the investigations to take? Will he give the House an assurance that when the investigations are complete the House will be informed of the result?

Viscount Trenchard: I cannot give a definitive answer to how long the investigations will take but the investigations will be completed as soon as possible and they will be assured that when the investigations are complete the House will be informed of the result.

Lord Skelmersdale said that the Government and Premier Price had agreed arrangements for the defence of Belize against any external threat following independence—that British forces should remain for an appropriate period, would provide training and assistance, and certain other countries would be invited to participate in the defence.

The measures should be viewed in the light of Belize's membership of the Commonwealth and the United Nations, and international support for Belize's independence within its traditional and existing borders.

The amendment was not necessary as security would be the subject of specific agreements taken by Britain and Belize.

Skelmersdale speaking Guatemala city newspapers had reported on July 23 that President Lucas had said that Guatemala would never invade Belize. Guatemala was not an aggressor, and was not interested in destroying Belize, he had said. Guatemala and the Belizeans were brothers despite their differences, and invasion would only bring the revenge of the world. The accord should be signed.

Lord Taylor of Gryfe (SDP) said the chance of Belize building up its forces to the strength of the Guatemalan army was remote. Guatemala was under severe economic

Defence guarantee to people of Belize

BELIZE BILL

The Government were confident that the measures agreed with the Government of Belize for the protection of that country after independence provided a sound basis for its future security and territorial integrity. Lord Skelmersdale, a Lord-in-Waiting, said in reply to peers on all sides of the House who said a date for independence of September 21 should not have been set before the Belize Bill, which granted independence to Belize, was passed through Parliament.

He was opposing an amendment to the Bill, during its committee stage, which would require the United Kingdom Government, after independence in Belize, to continue to take appropriate measures to protect the integrity of the country.

Lord Skelmersdale said the date for independence had been agreed last week in discussions between the Minister of State for the Foreign and Commonwealth Office (Mr Nicholas Ridley) and Mr George Price, the Belize Premier. The Government recognised its responsibility to bring Belize to secure independence.

Lady Vickers (C), moving the amendment, said that Belize was an oasis of democracy in South America and the Government should give an assurance that this democracy would be secure.

President Lucas of Guatemala had warned that he would not regard the independence as legal. A heads of government agreement had been left unsigned. Guatemalan soldiers greatly outnumbered the Belize defence force, were better trained and were receiving arms from the United States.

Belize was floating on a sea of oil which attracted other dictators such as the United States, Holland and West Germany, and also fertile agricultural land and waters teeming with fish.

Belize should not be left in Uncle Sam's back yard. Lord Skelmersdale said that the Government and Premier Price had agreed arrangements for the defence of Belize against any external threat following independence—that British forces should remain for an appropriate period, would provide training and assistance, and certain other countries would be invited to participate in the defence.

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Lord Taylor of Gryfe (SDP) said the chance of Belize building up its forces to the strength of the Guatemalan army was remote. Guatemala was under severe economic

strain and it was not uncommon for countries in this situation to take military action to relieve concern about their domestic situation. It would be extremely dangerous to grant independence without the assurances Lady Vickers required.

Lord Hamar-Nicholls (C) supporting the amendment, said that Government should be committed under the Bill to ensure adequate protection and integrity for Belize.

The independence date and conditions had been set before the decision by Parliament had been made, and these could still be changed if necessary.

Lord Avebury (L) said if the amendment were written into the Bill it would have an enormous effect on the morale of the people of Belize as it would show in statute that Britain was determined to safeguard their security against any threats from the Guatemalan dictatorship.

Lord Stewart of Fulham, for the Opposition, said the Government should be committed under the amendment to in any way change the situation in Belize; or make an agreement with Guatemala harder to reach or delay independence. It had only said it was not necessary.

Lord Skelmersdale said the amendment was open-ended in timing. It caused fundamental doubts on the scope of the executive and legislative powers of the United Kingdom Parliament as to whether it was within constitutional capabilities to do what was suggested.

The amendment was rejected by 118 votes to 86—Government majority, 32.

Referendum proposals rejected

An attempt to defer the granting of independence to Belize until local people had approved by a majority vote in a referendum was rejected by 120 votes to 70, a Government majority of 50.

Lord Taylor of Gryfe (SDP), moving the amendment, said it sought to secure the support of the people of Belize for independence.

Lord Avebury (L) said it was not sure to do what was suggested. He said Belize voted in 1979 for independence on the terms which were now being offered because at that time they had no knowledge of the heads of agreement.

The British government had played a shabby three card trick on the people of Belize. It had promised nothing would be done without their consent, offered a simulacrum of democracy and then snatched that away at the last moment.

Lord Skelmersdale, a Lord in Waiting, said it was not for the British Government, Parliament or anybody else to impose upon the government or people of Belize a referendum in the way suggested.

There had never been any promise in Belize from the British Prime Minister that there should be a referendum on the pure question of independence. It was a matter to do with Belizeans and not the House of Lords.

The committee stage was completed and the Bill was read the third time and passed. The Education and Training Bill passed the remaining stages.

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A child is sometimes the most susceptible and vulnerable consumer of all. Which is why any advertising aimed at children needs tight control. Hence the rules on the right.

They appear in a book called the British Code of Advertising Practice. In it are many rules, not just affecting children's advertising. They govern all advertisements which appear in the press, in direct mail, in print, on posters and cinema commercials.

The Code is used by the Advertising Standards Authority whose job it is to protect the public from unacceptable advertising. (To help us interpret and develop the Code, we have recently carried out research into children's reactions to advertisements.)

Amongst other things, the ASA responds to consumers' complaints, and this briefly is the way the system works. Members of the public can write to us to complain about any advertisement they find unacceptable. If, after investigation, we find the advertise-

- Appendix B Children**
- General**
- 1.1 Direct appeals or exhortations to buy should not be made to children unless the product advertised is one likely to be of interest to them which they could reasonably be expected to afford for themselves.
 - 1.2 Advertisements should not encourage children to make themselves a nuisance to their parents, or anyone else, with the aim of persuading them to buy an advertised product.
 - 1.3 No advertisement should cause children to believe that they will be inferior to other children, or unpopular with them, if they do not buy a particular product, or have it bought for them.
 - 1.4 No advertisement for a commercial product should suggest to children that, if they do not buy it or encourage others to do so, they will be failing in their duty or lacking in loyalty.
 - 1.5 Advertisements addressed to children should make it easy for a child to judge the true size of a product (preferably by showing it in relation to some common object) and should take care to avoid any confusion between the characteristics of real-life articles and toy copies of them.
 - 1.6 Where the results obtainable by the use of a product are shown, these should not exaggerate what is attainable by an ordinary child.
 - 1.7 Advertisements addressed to children should where ever possible give the price of the advertised product.
- Safety**
- 2.1 No advertisement, particularly for a collecting scheme, should encourage children to enter strange places or to converse with strangers in an effort to collect coupons, wrappers, labels or the like.
 - 2.2 Children should not appear to be unattended in street scenes unless they are obviously old enough to be responsible for their own safety; should not be shown playing in the road, unless it is clearly shown to be a play-street or other safe area; should not be shown stepping carelessly off the pavement or crossing the road without due care; in busy street scenes should be seen to use the zebra crossings when crossing the road; and should be otherwise seen in general, as pedestrians or cyclists, to behave in accordance with the Highway Code.
 - 2.3 Children should not be seen leaning dangerously out of windows or over bridges, or climbing dangerous cliffs.
 - 2.4 Small children should not be shown climbing up to high shelves or reaching up to take things from a table above their heads.
 - 2.5 Medicines, disinfectants, antiseptics and caustic substances should not be shown within reach of children without close parental supervision, nor should unsupervised children be shown using these products in any way.
 - 2.6 Children should not be shown using matches or any gas, paraffin, petrol, mechanical or mains-powered appliance which could lead to their suffering burns, electrical shock or other injury.
 - 2.7 Children should not be shown driving or riding on agricultural machines (including tractor-drawn carts or implements), so as to encourage contravention of the Agriculture (Safety, Health and Welfare Provisions) Act 1956.
 - 2.8 An open fire in a domestic scene in an advertisement should always have a fireguard clearly visible if a child is included in the scene.

ment contravenes the Code, we instruct the advertiser to amend or withdraw the advertisement.

If you would like to know more about the Code on advertisements addressed to children, or about us, or if you have any cause to complain

about an advertisement, we'd like to hear from you. If an advertiser breaks one of the rules, we won't let him get off lightly.

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It must be the Peterborough Effect

Deportation
threat
to students
challenged

By Lucy Hodges

Immigration officials were accused yesterday of further extending the definition of an illegal entrant by deciding to send home two foreign students who had entered Britain as visitors.

The Joint Council for the Welfare of Immigrants (JCWI), which has written to the Home Office to protest, says this practice is new and is worrying because it means the students concerned have no right of appeal against expulsion.

"On the one hand we have the Home Office reassuring MPs that they will take a carefully limited view of what an illegal entrant is, but meanwhile the immigration service is still further extending its scope to threaten a new group of people with detention and removal without a right of appeal," Mr Ian Martin, general secretary of the joint council, said.

The two students, Mr Hossain Mohammad, an Iranian, and Mr Mohamed Peitar, an Egyptian, were held in detention but have been released pending their departure. Their cases have been taken up by Mr Rhodes Boyson, Under-Secretary of State at the Department of Education and Science, and Lord Avebury, the Liberal peer.

In each case the allegation that the initial entry was illegal rests on the contention that they concealed or did not disclose their intention to study.

Mr Martin says he has been promised repeatedly that only the clearest evidence of such concealment would prevent an application to remain as a student being granted. (There is an appeal against this.)

The two maintain that they did not intend to deceive immigration officials when they arrived in Britain.

The United Kingdom Council for Overseas Student Affairs said the cases contravened Home Office assurances. The Home Office said yesterday that the letter from the immigrants counsel to Mr Timothy Wainman, the Minister of State, was being considered.

Flood halts
Heathrow

Incoming flights were stopped from landing for an hour at Heathrow airport, London, when a burst water main flooded the basement of the control tower yesterday.

Staff were evacuated. The water slightly damaged the vital electronic switching gear linked to the air traffic control main computer.

Control of flights waiting to land were handed over to the London control centre at West Drayton. Staff moved into field caravans to control ground movements.

Whitehall brief
Curtains parting on Philby caper

By Peter Hennessy

It would take a combination of Gilbert and Sullivan and Mr John le Carré to do justice to a story involving a couple of Lord Chancellors, a Tory peer, a Secretary of the Cabinet, secret service chiefs, a safe full of highly classified documents and an MI6 operation behind the Iron Curtain.

In their absence, the best way to recount the tale is to start at the beginning in 1949 when a joint MI6/CIA operation to undermine the communist government of Enver Hoxha in Albania fell apart because of the unfortunate fact that its British commander, Mr Kim Philby, happened to be working for the KGB as well as His Majesty's Government.

Thirty years on, Lord Bethell, Conservative European MP for London, North-West, and an historian, decided to write a book about the Albanian subversion. He immediately came up against a familiar roadblock, an editor promulgated by Lord Gardiner, the Lord Chancellor, in 1967, exempting all MI6 and MI5 papers from the 30-year rule.

Lord Bethell is not the kind of scholar to take no for an answer. In 1979 he won a two-year campaign by persuading a Cabinet Committee, the full Cabinet, a prime minister, a leader of the opposition and a leader of the Liberal Party (in that order) of the absurdity of withholding any file that even mentioned the existence of MI6 simply to allow ministers to sustain the public fiction that British governments do not spy on foreign powers in peacetime.

As a result a wealth of papers has now reached the Public Record Office which allude to MI6 and MI5. The gaps in the Foreign Office files on Albania remain substantial, however.

Lord Bethell is no "whistle-blower". He has made clear his conviction that genuinely sensitive documents that might still endanger individuals or institutions should continue to be kept away from public view in the registries of the secret agencies.

But, in a protracted correspondence with Foreign and Commonwealth Office ministers and Lord Hailsham of St Marylebone, the Lord Chancellor, Lord Bethell has sought to make the case that the "blanket approval" for re-

viewing all internal MI6 and MI5 material granted by the Gardiner edit, which is not due to be reviewed until 1992, is contrary to the spirit of the Public Records Act, 1958 and 1967.

Three years after the Gardiner edit was promulgated, guidelines were laid down establishing that public records should be released after 30 years apart from:

Exceptionally sensitive papers, the disclosure of which would be contrary to the public interest, whether on security or other grounds; documents containing information supplied in confidence, the disclosure of which might constitute a breach of good faith; documents containing information about indi-

viduals, the disclosure of which might cause distress or embarrassment to living persons or their immediate families.

Lord Bethell maintains that the blanket ban on MI6 and MI5 papers means that those three tests are not being applied to them, and that Lord Hailsham, as minister responsible for public records policy, is not fulfilling his duties under the Act.

Lord Hailsham has now agreed to consider Lord Bethell's case and to re-examine the Gardiner edit.

The matter is also being looked at by MI5, the official Cabinet Committee dealing with the Wilson report on public records policy. The Foreign and Commonwealth Office, too, has agreed to review once more the Albanian files.

One of the more alarming elements of the story is the case with which the blanket ban was imposed in 1967 and the complete lack of public accountability for it. A set of proposals was put to Lord Gardiner by Sir Burke (now Lord) Trend, then Secretary of the Civil Service, including departmental minutes which is itself so sensitive that Lord Bethell has not been allowed to examine it.

Lord Gardiner simply initialled the minutes and the ban became effective. Its existence was not made public until 1977 when it was mentioned in Lords debate on public records. Lord Bethell wrote to Lord Gardiner about it at the end of last year.

Lord Gardiner replied: "I am extremely sorry but I have no recollection of the order which I signed in 1967. As you will appreciate, this was one of a number of decisions in many different fields which a Lord Chancellor has to make every day, and 1967 is now 13 years ago and all I can really say is that the public would have been made in accordance with advice I received and on which I relied."

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Handi and her son Kakinga in their new half-acre home landscaped by the Jersey Wildlife Preservation Trust to provide a natural life for the gorilla family.

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CIA chief accused of planning to oust Gaddafi

From Nicholas Hirst, Washington, July 27

Further doubt about the suitability of Mr William Casey to continue in his post as Director of the Central Intelligence Agency has been raised by a report that he had planned a covert scheme to overthrow the regime of Colonel Muammar Gaddafi of Libya.

The report, published in the latest issue of *Newsweek* magazine, claimed that Mr Casey and Mr Max Hugel, his discredited former Deputy Director of covert operations, had proposed a multi-phase destabilization campaign which would have involved the creation of a "counter-government" and the ultimate removal of Colonel Gaddafi from power.

However, members of the House Intelligence Committee, believing the plan would involve the Libyan leader's assassination, seem a strongly worded letter of protest to President Reagan urging him to reject the plan, the magazine said.

The White House, already embarrassed by the allegations which have been made against Mr Casey, has declined to comment on the report except to confirm that a letter had been received from the House Intelligence Committee and that it had not yet been seen by the President.

Although Colonel Gaddafi is seen as a leading figure behind terrorism and subversion in Africa and the Middle East, there is a widely held view in Congress that it is not the job of the CIA or any other American agency to provoke his downfall. The most direct action which Congress is prepared to countenance is to assist countries which are threatened by Libya, such as Tunisia, to resist Colonel Gaddafi politically.

While the *Newsweek* report will provide additional ammunition for Mr Casey's opponents, the beleaguered CIA director has made it clear that he intends to put up a tough fight to retain both his position and his reputation.

The Senate Intelligence Committee today named Mr Fred Thompson, who was Republican counsel during the Watergate hearings, to head its investigation into Mr Casey.

Earlier this year Mr Thompson served as special Republican counsel during the confirmation hearings of Mr Alexander Haig as Secretary of State.

Sources said the appointment of a special counsel indicated the serious view the committee was taking of the case. The committee will meet tomorrow in secret session but Mr Casey is not expected to be called on to appear before the committee until later this week.

Today, members of the Senate select committee on intelligence began pursuing a two-foot stack of documents which Mr Casey had delivered to the committee yesterday in an attempt to limit the controversy over his business dealings and his management of the CIA.

Mr Casey, who managed President Reagan's election campaign, is facing criticism on two main counts: first, conducting a covert operation in the Middle East, a failed business company; and second, his appointment of Mr Hugel, a former Reagan campaign aide and businessman, to be in charge of the CIA's covert operations.

Mr Hugel resigned earlier this month after being accused of participating in fraudulent securities transactions. According to the *Newsweek* report, it was Mr Hugel who briefed members of the House Intelligence Committee on plans to overthrow the Libyan leader.

Several Republican senators have already said Mr Casey should consider resigning. However, his decision to deliver his personal documents to the Senate committee is a clear indication that he intends to do no such thing.

Furthermore, Mr Casey has been heartened by the number of congressmen who have spoken up on his behalf during the past few days. They include Senator Paul Laxalt and Senator Henry Jackson who said during a television interview yesterday that Mr Casey must be given a fair chance to defend himself.

Mr Casey will have such a chance this week. In a letter to Senator Barry Goldwater, the chairman of the Senate committee, Mr Casey said he would be pleased to appear before the committee.



Mr Robert Mugabe, Prime Minister of Zimbabwe, shares the enjoyment of Mr Peter Allum, the Police Commissioner, and 7,000 spectators at a police display in Salisbury.

Mugabe's rebuke for 'rotten seeds'

From Stephen Taylor, Salisbury, July 27

A growing division between elements of Zimbabwe's ruling Zanu (PF) party has been exposed with a sharp condemnation by Mr Robert Mugabe, the Prime Minister, of "rotten seeds" within the organization.

The target of the remarks appears to be Mr Edgar Tekere, the spokesman of the most radical faction in the party.

Mr Mugabe, who is also the president of Zanu (PF), has been sharpening his tongue on the first public signs of opposition from party militants recently. Last week he publicly rebuked Dr Herbert Ushewokunze, the controversial Minister of Health.

Mr Tekere provoked the latest exchange with an outspoken speech to political science students at the University of Zimbabwe. In his address, which was punctuated by applause, Mr Tekere said that the relationship between the party's supporters, whom he called "the custodians of the revolution", and their representatives was being strained because some MPs had "inherited the colonial mentality".

Although dismissed from the cabinet in January after his trial and acquittal on a charge of murdering a farmer, Mr Tekere has retained the powerful position of Secretary-General of Zanu (PF) and the support of militant youth.

Warning that the party's principles had been weakened, he said some parliamentarians had been "bribed" by the country's former rulers.

Mr Mugabe's response was blunt. Speaking at a provincial party meeting he said: "There are those who are complaining that the revolution is not continuing and yet they are the most immoral and laziest in the party."

The Prime Minister said such people were trying to persuade others not to have confidence in the government.

You have to bear in mind that every organization has rotten seeds which have to be dealt with before they infect the majority of the people," he said.

If Mr Mugabe is seeking a showdown with the radicals he could well choose to do it by summoning the party to congress. Observers believe that the reason no attempt has been made to remove him from office is that Mr Mugabe wanted to spare Zanu (PF) and an old comrade in the liberation struggle from embarrassment. With the militants becoming increasingly visible such considerations may go by the board.

IN BRIEF

Spanish plea on broadcasts

Madrid.—A group of 350 panish radiog and television journalists have signed a petition requesting the British Government to reconsider its decision to close down the BBC Spanish-language radio service.

A spokesman for the group said that the petition would be submitted today or via British Ambassador in Madrid. It said the closure decision would strike an irreparable blow at the free flow of information between the two countries.

Military rule

Monrovia.—Liberia now has a totally military Government, as all ministers and deputy ministers were awarded Army ranks on the country's 134th independence anniversary. The ministers all became majors and their deputies lieutenants, and all technically outrank the head of state, Staff sergeant Samuel Doe.

Chad amnesty

Ndjamena.—The Chad Government has declared an amnesty for all citizens who fled abroad for political reasons, but it does not apply to Mr Hissene Habre, the former Defence Minister, who is continuing to fight a civil war from bases near Sudan.

Brigades veto

Rome.—The state-run RAI television network turned down an appeal to broadcast a videotaped "interrogation" of Signor Roberto Reel, who is facing a death threat by the Red Brigades. The Brigades had hinted it would release him if RAI would broadcast the tape.

Heart battle

Houston, Texas.—A Dutch bus driver who survived 54 hours with a plastic pump in his chest before having a heart transplant, was in critical condition because his blood was not clotting sufficiently.

Briton jailed

Frankfurt.—Paul Ian Fenton, aged 35, a British journalist from Wimbledon, was sentenced to 20 months' jail after travelling halfway round the world on trips financed by an invalid credit card.

Highway hold-up

Barl.—A Swiss woman, aged 55, died after four armed robbers forced her car off the road in a car chase on a highway in south-east Italy.

Road tragedy

Gruenstadt.—A 23-year-old man hanged himself from a tree after his car skidded and killed one of a road repair crew, police said.

NATO DENIAL ON NAVAL EXERCISE

Brussels, July 27.—The North Atlantic Treaty Organization said today that a controversial Western naval exercise to be held in the North Atlantic with the participation of South American navies was organized by the United States and not the Western alliance.

The manoeuvre, codenamed "Ocean Venture 81", and involving countries which are not members of Nato, will run concurrently with three Nato naval exercises in September, but will be under exclusive United States command, a Nato statement said.

The statement was prompted by Norway's decision last week not to take part in the exercise because it feared it could give the impression that Nato was trying to expand its area of responsibility.

Units from Argentina, Brazil, Colombia, Uruguay and Venezuela are due to take part in the exercise, alongside ships from the United States, the Netherlands, Britain, Canada, West Germany, Portugal, France, Denmark and Spain, Nato sources said.

The exercise, one of the largest of this kind in recent years, will involve 250 ships, 120,000 men and 1,000 aircraft.

The American initiative to bring South American navies into a Western exercise reflects Washington's efforts to strengthen cooperative with non-Nato members, West European diplomats said.—Reuter.

Strain on coalition Bonn battle over spending cuts

From Patricia Clough, Bonn, July 27

With widely differing views on where to apply the knife, West German Government leaders and heads of the two coalition parties met in the Chancellery here today to negotiate a severe pruning of Government spending.

By Thursday they are expected to work out savings and possible tax increases worth DM20,000m (£4,000m). But separate preparatory meetings have shown that there is still considerable disagreement, not only between the Social Democrats (SPD) and the Free Democrats (FDP), but also between the Social Democrats and Herr Hans Matthöfer, their own Finance Minister.

Both Herr Matthöfer and Herr Willy Brandt, the SPD chairman, predicted that the negotiations will be very difficult. Government sources said it will put a serious strain on the coalition but they pointed out that both sides were determined to continue their partnership.

Herr Helmut Schmidt, the Federal Chancellor, and Herr Hans-Dietrich Genscher, the Free Democrat leader, told their own parliamentary parties earlier today that the Government must not only make drastic cuts but also help industry to make investments that will create more jobs.

Herr Matthöfer broke the news that unemployment was expected to rise from the present 1.2 million mark to 1.35 million next year.

The huge state spending on unemployment benefits, labour and social spending accounts for 23.5 per cent of the national budget is one of the reasons why the Government is having to cut back. Steady increases in state spending, compounded by the oil price rises and high interest rates, have sent the public indebtedness to record levels.

Outlining his own proposals to the SPD parliamentary party, Herr Matthöfer said he intended to prune DM14m (£3m) by savings, including DM11m in the social sector. He planned to raise another DM7m by abolishing certain forms of tax relief, increase taxes on some consumer goods and syphoning off almost DM6m profits made by the Federal Bank.

But despite the savings, public spending will still increase by 4 per cent and another DM26.55m (over £5,000m) will have to be borrowed, he said. The whole budget will total DM241,000m compared to DM231,000m last year.

As the unusual veil of secrecy which has enveloped the preparatory talks was lifted today, it became clear that there would be several areas of dispute.

The Social Democrats and, somewhat more reservedly, their Finance Minister, advocate a temporary supplementary tax on people in the higher income brackets which would be used to create more jobs in industry. They also propose to abolish tax privileges for civil servants.

However, Herr Genscher spoke up against penalizing some social groups more than others which, he said, would destroy the "consensus of reason" in the country which existed at present.

The Union of West German Civil Servants, a powerful pressure group, announced that it would take any cuts made at their members' expense to the Constitutional Court to test their legality. Civil servants' status and pay are protected by numerous laws in West Germany.

The Social Democrats were understood to be opposed to Herr Matthöfer's proposal to double the tax on heating oil but, like the Free Democrats, they want tax increases on tobacco and sparkling wine.

They are also firmly against a proposal by Herr Matthöfer to cut back on the state's obligations to pay a worker's salary if he falls ill.

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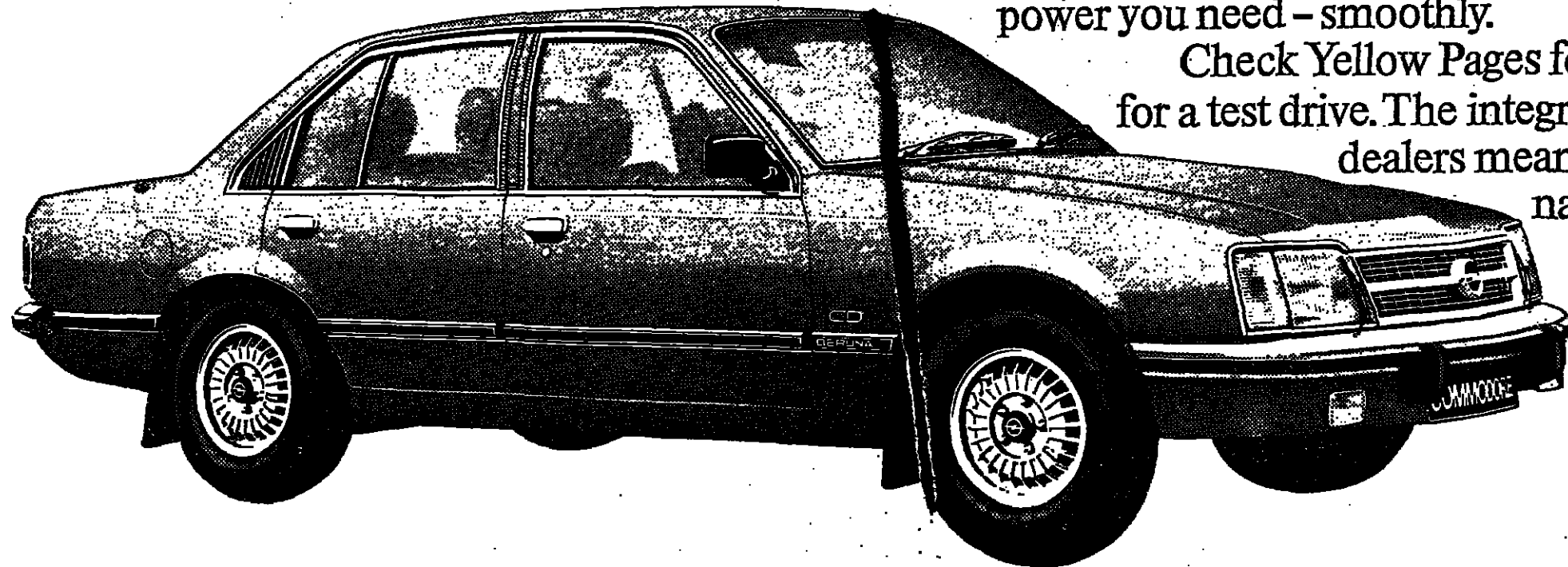
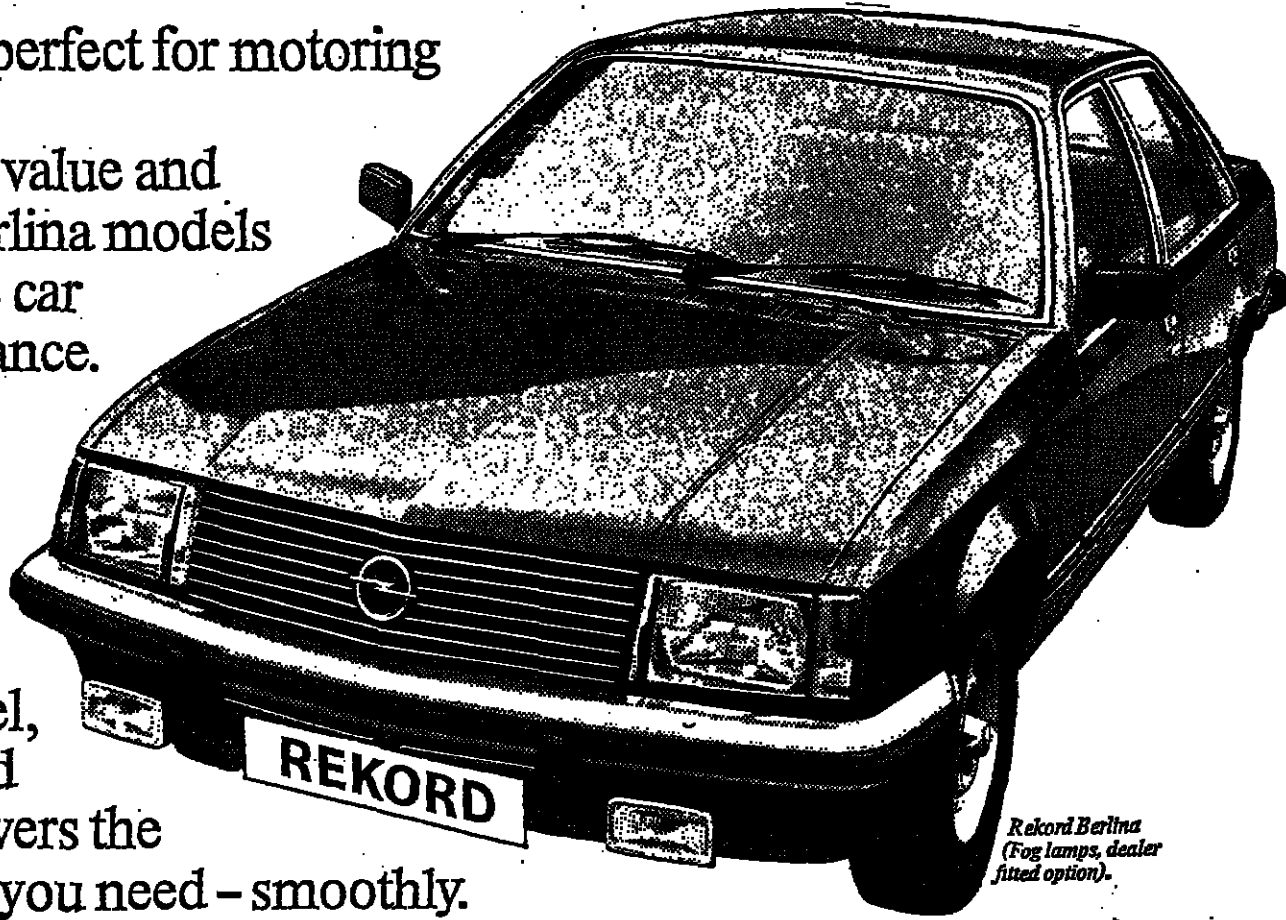
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Food price protests mount in Poland

Warsaw, July 27.—The Polish Government faced mounting protests today over the supply and price of food as it negotiated with the Solidarity trade union organization to head off the threat of possible strikes over the reduction of meat rations.

Protest declarations poured into Warsaw from all regions and buses and cars with blaring horns and angry placards paraded through Poland's second biggest city, Lodz, at the start of a week of hunger demonstrations there.

The new wave of protest, which began with a hunger march in the city of Kutno on Saturday, centred on three related issues: the chronically short supplies of most staple foods, proposals to increase food prices by up to 400 per cent and a reduction of 20 per cent in meat rations.

Solidarity has made it clear that its 10 million members will only accept the price increases if they are part of an overall economic reform package which guarantees authentic worker self-management. It also wants more public debate and a possible referendum.

The 15 buses taking part in the Lodz protest, decked with huge banners bearing the word "Hunger", were filmed by Polish television.

Bus and lorry drivers are due to hold similar protests in Lodz tomorrow and on Wednesday while on Thursday the women of the city will take to the streets in what is expected to be a mass hunger march. — Reuters.

Tenuous ceasefire holds despite overnight rocket attacks

From Christopher Walker, Jerusalem, July 27

The tenuous ceasefire between the Israelis and the Palestinians continued today despite overnight rocket attacks from Palestinian positions into territory controlled by Major Saad Haddad, commander of the Israeli-backed Christian militias.

According to the Israeli military spokesman, the attack was the fourth launched against the south Lebanese buffer zone since the ceasefire came into force at lunchtime last Friday. First reports indicated that it had caused damage but no casualties.

Later the Palestine news agency, Wafa, reported that two villages in southern Lebanon had come under machine gun fire from the Israeli side of the border. Again there were no casualties.

The fact that Major Haddad did not carry out his earlier threat to fire back at any breach of the ceasefire is attributed to the strict control over his 2,000-strong militia forces now being exercised by Israel, which supplies them with both ammunition and finance.

The Israeli Government is thought to be deeply concerned about recent American government criticism and is determined to maintain the truce which is now 72 hours old. One senior government official explained that all Israeli forces had instructions to obey the letter the agreement reached with Mr Philip Habib, America's special envoy.

There is now hope here that the American diplomat will soon continue with his efforts to negotiate the withdrawal of the five Syrian missile batteries in

Lebanon's strategic Bekaa Valley. "If he does not get rid of them, there is no question of our having to remove them by force", one Israeli official said.

In government circles there is concern about the apparent failure of the Palestine Liberation Organization to impose discipline on the various dissident Palestinian groups, one of which has openly declared its intention of ignoring the truce and continuing attacks against Israel.

The group in question, the Popular Front for the Liberation of Palestine-General Command is led by Mr Ahmed Jibril, one of the most extreme and uncompromising of the guerrilla leaders. There is as yet no indication about how Mr Yasser Arafat, the head of the Palestine Liberation Organization (PLO), will be able to restrain his militant stance, but reports reaching Jerusalem tonight suggested that some form of compromise would soon be reached.

In Israeli political circles, there is considerable satisfaction that the new ceasefire has shown the various Palestinian groups publicly at odds with each other. Reporters have been left in no doubt that any renewed Israeli military action in response to a breakdown of the ceasefire would include a land operation designed to take over strategic Palestinian positions in southern Lebanon.

Beirut: Lebanon's electricity authority said today it would start a series of selective power cuts from tomorrow because of fuel shortages caused by Israeli air raids on Lebanese

oil installations last week (Reuters reports).

It said districts would be cut off by rotation for seven hours a week and if fuel failed to arrive at its main generating station at Zouk, north of Beirut, the cuts would be doubled next week.

Within two weeks each district of Lebanon would suffer cuts equivalent to three days every week, the electricity board said.

Fuel shortages have caused huge queues for petrol throughout the country. The south has been without electricity for a week because the main cable was cut during an Israeli air raid.

At a private meeting of the influential foreign affairs and defence committee of the Knesset (Israeli Parliament) Mr Menachem Begin, the Prime Minister, emphasised today that Israeli over-flights of Lebanese territory would continue under the new ceasefire agreement.

The Prime Minister, who is still trying to form a new coalition, made clear that the ceasefire agreement was regarded by Israel as allowing the flights to go on. The Israelis regard them as vital to detect possible Palestinian reorganisation, despite repeated claims by the PLO that the flights should be stopped under the terms of the ceasefire.

During the committee meeting, Mr Begin hit back hard at criticism from the Labour opposition. He said that there were 32 instances where Israeli forces under a Labour Government had attacked civilian targets.



Mr Yasser Arafat: Anger over violations.

Split in PLO widens

From Tewfik Mishaal, Beirut, July 27

The ceasefire on the Lebanon-Israel border appeared to be threatened today by an internal Palestinian conflict over whether the American-sponsored truce should be observed.

Israel reported another Palestinian ceasefire violation in southern Lebanon during the night, and said Katyusha rockets were fired on the Israeli township of Migga. No damage or casualties were reported.

A small Palestinian guerrilla group, the Popular Front for the Liberation of Palestine-General Command (PFLP-GC), led by Mr Ahmed Jibril, a former Syrian officer, has rejected the ceasefire, which went into effect on Friday, and insisted on continuing to fight Israel.

In the three days since the truce began, about 30 Katyusha rockets and 40 artillery shells have reportedly been fired into northern Israel and the Christian salient, which is controlled by Major Saad Haddad and his Israeli-backed militias.

Neither Israel nor the militia returned the fire, and the ceasefire was still holding. Defiance of the truce by the PFLP-GC has, apparently, angered the Fatah group of Mr Yasser Arafat, the Palestine Liberation Organization leader. Fatah criticized the conduct of the PFLP-GC. The criticism was given additional weight by the fact that it was released through the Wafa, Palestinian news agency, suggesting it was the opinion of the PLO as a whole.

A PLO spokesman described the PFLP-GC's conduct as irresponsible and expressing complete disregard for Lebanese and Palestinian blood. He said, the front's representative in the PLO executive committee "not only supported the ceasefire decision but also took part in couching it".

The PFLP-GC, which has been getting money and military equipment from Libya, issued a report in which it identified its critic as a Fatah spokesman. It said Mr Arafat, who is also the Fatah leader, was collaborating with what it called Arab reactionaries and referred to his meetings last week with the Saudi Arabian ambassador in Beirut.

Although the conflict tends to reflect on Mr Arafat's ability to control radical groups within his umbrella organization, it is not likely the conflict will expand. Other extremist guerrilla groups, such as the Democratic Front, Mr Nayef Hawatmeh and the PFLP of Dr George Habash, have so far withheld comment on the ceasefire.

If the ceasefire violations increase, they are almost certain to bring reprisals, at least from Major Haddad's militias. Repeated exchanges could lead to a collapse of the truce.

Israeli reconnaissance flights over Lebanon continued today. Jets flew over Beirut and were shot at. Mr Arafat had said he regarded such flights "as a breach of the ceasefire".

Family of Shah pay respects

From Our Correspondent, Cairo, July 27

The widow and the four children of the Shah of Iran gathered today at his tomb to pay their respects on the first anniversary of his death. President and Mrs Sadat joined the family at Al-Rifaie mosque in Old Cairo.

The Shah's family has lived a cloistered life in the Kubbah Palace on the north-east outskirts of Cairo as guests of the Egyptian Government since Mr Sadat gave them refuge during their exile from Iran.

The Shah's eldest son, Reza, who proclaimed himself successor to the Shah on his twentieth birthday last October 31, used the anniversary of his father's death to issue a message for his fellow-Iranians. In it he said the sufferings and terror which had become the lot of the Iranians since the revolution proved that his father well served his land.

Mr Behzad Nabavi, Iran's government spokesman, said today opposition groups had formed an alliance to overthrow the Government by force, according to Tehran radio (Reuters reports).

The radio quoted Mr Nabavi as saying such groups had failed to disrupt last week's presidential election, in which Muhammad Ali Rajai, the Muslim fundamentalist Prime Minister, won 88 per cent of the votes.

The radio had reported earlier that 12 Islamic revolutionary guards were killed by opposition guerrilla groups during balloting last Friday.

Mr Nabavi said Mr Rajai's election was an extremely important political victory for supporters of the Government.

Mr Nabavi accused opposition groups of "trying to disparage the elections by claiming that the people were coerced into voting". He did not elaborate.

United States to stop giving military and other assistance to Israel.

The presidents have also expressed concern over the intervention of 5,000 Soviet-backed Libyan troops in Chad. President Nimeiry affirmed that he had agreed with Egyptian President Sadat on a joint defence pact, agreed on after a 1976 coup attempt against President Nimeiry, which he blamed on the Libyans.

Egyptian troops have been reported recently in Khartoum, apparently on their way to strengthen Sudanese defences on the Chad and Libyan borders.

There have been reports in the Egyptian press that Egyptian plans to integrate the two countries and to assure the free movement of goods across the border.

The two presidents are reported to have flown over the Mediterranean coast west of Alexandria to choose a site for a Sudanese port and duty-free zone. Few details have emerged of this plan.

Rioters held — More than 1,000 people have been jailed for their part in riots in Casablanca last month, the Moroccan Socialist opposition said. At least 66 people died when demonstrators clashed with security forces on June 20 during a general strike.

Manila — President Marcos called for "decisive action" to combat the Philippines' economic ills when he presaged his new Cabinet to the opening session of Parliament. Mr Marcos, the former Finance Minister, was nominated as Prime Minister.

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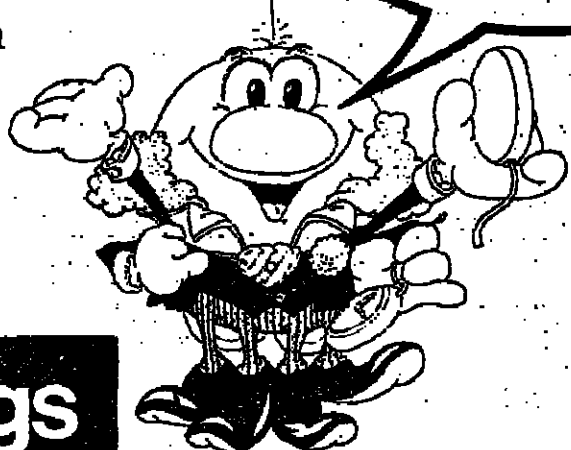
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Increase in US nuclear mishaps reported

From Nicholas Ashford
Washington, July 27

There were more than 3,600 mishaps at the United States' 36 nuclear plants in 1980, according to a report prepared by an anti-nuclear group which has been critical of the industry. The report, by an organization known as Critical Mass, is based on figures drawn from reports to the Nuclear Regulatory Commission (NRC) from the companies which operate nuclear plants. The report said the increase in the number of incidents "support our long-held position that nuclear power is a dangerous and deeply flawed technology".

A spokesman for the NRC said the study was seriously flawed by an inconsistent use of data. A spokesman representing the Atomic Industrial Forum, a nuclear trade group, said the fact that mishaps were being reported more often than the system designed to detect them was working efficiently.

He said the nuclear industry's safety record was perfect last year.

The report said the most serious incidents last year were a large spill of tainted water in Florida and faulty control rods at a Tennessee Valley reactor.

Both incidents were reckoned to involve "a moderate actual or potential impact on public health or safety".

Cabinet may fall in Lisbon after minister quits

Lisbon, July 27.—Senhor Carlos Macedo, Portugal's influential Socialist Minister, resigned today in a move which threatened to bring down the Government of Senhor Francisco Pinto Balsemão, the Prime Minister, authoritative sources said.

They said Senhor Macedo, a key member of the Prime Minister's Social Democratic Party (PSD), as vice-chairman of the PSD political commission, had resigned in protest at Senhor Pinto Balsemão's policies.

Senhor Macedo threatened to resign last week but was dissuaded at the last moment by the Prime Minister, who said it would bring down the Government.

The Prime Minister is facing increasing opposition within the PSD, and one of his leading critics suggested at the weekend that the party should hold an extraordinary congress. The congress is the only body empowered to dismiss a party leader.

Political sources said Senhor Macedo agreed to withdraw his original resignation after extracting what he believed was a promise from the Prime Minister for a Government reshuffle in August and the concentration of power in the hands of an inner cabinet of PSD hardliners.

The move would have decreased the Prime Minister's authority within the Government.

The sources said Senhor Macedo was infuriated by what

he felt was betrayal by the Prime Minister, and resigned a second time, saying his decision was irrevocable.

There was no immediate comment from the Prime Minister, who is on a short sailing holiday apparently in the belief that the government crisis had blown over.—Reuter.

Two more incidents of urban terrorism occurred in Portugal over the weekend. On Saturday the body of Senhor Gomes Amara, a well-known night club owner, was found in his car at Lisbon airport with two bullets in his heart. A branch of the Banco Nacional Ultramarino at Rixes was raided early on Friday morning by two men and a woman armed with machine-guns who fled, taking nine million escudos (£74,700).

A movement calling itself the Popular Forces 25th of April claimed responsibility for these two actions as well as the attempted murder of the manager of Standard Electric in Cascais on Thursday morning.

Police have not yet been able to discover whether the movement is a real extremist political group or simply a band of criminals using politics as a cover.

Portugal's 30,000 postal workers began a 48-hour strike today after turning down a last-minute offer of a 22 per cent pay rise, insisting on a 24 per cent increase in basic wages (Reuter reports).

Letter from Yerevan

Armenia: centre of an artistic explosion

by Michael Binyon

For the past 10 years, while artists in Moscow and Leningrad have been bogged down in quarrels with censors and bureaucrats, painters in the Soviet Union's smallest republic have been freely displaying their modernist works with the party's blessing.

Brilliance and vitality are the hallmarks of the paintings and other works of art coming from one small, mountainous corner of the Soviet Union. Thanks largely to the single-minded dedication of Genrikh Igitian, a black-bearded Armenian, he is director of two galleries unique in the Soviet Union: the Children's Art Centre and the Museum of Contemporary Art.

His mission, supported at the highest party level, is almost preposterous in its daring and ambition. He wants to make aesthetic education so fundamental to the life of each child in Armenia that in one generation the level of culture will surpass anything achieved before by this ancient and civilized people.

The art explosion in Armenia began in March 1970, when a collection of the best paintings from local schools went on display in a former wine shop in the capital, Yerevan.

The young artists were excited by the attention they received and strove to do better. Others took up brushes for the first time and sent in their works. Teachers came to see what other schools were doing and went back with new ideas.

Mr Igitian, the gallery director, travelled to distant mountain villages to persuade 10-year-olds to paint the life around them, and he began to

A black-bearded, charismatic gallery director has persuaded the Soviet authorities that he can transform the level of culture in Armenia. Under his guidance, the children of this historic region are producing paintings that rival anything in the world.

collect paintings by children in other countries.

The centre now has one of the largest collections in the world. Themes from Armenian life and history fill the upper rooms: kings, churches, mountains and villages, battles and legends, bright market scenes, force-looking dogs and stern-faced teachers—painted by eight-year-olds with a vigour and directness that enthralls. There are also collages made of matchsticks, puppets, rap-stories and woven designs, masks and models.

Downstairs, pictures from more than 90 countries show the world of children: families, friends and fables from Bulgaria, Peru, Nigeria, Jordan, Greenland, France, Hong Kong. Schools in some countries such as West Germany have set up links with the museum. Pictures from France came from a travelling exhibition. Sir Harold Wilson personally arranged the dispatch of 100 paintings by British children.

Genrikh Igitian has watched the improvement over 10 years. "You cannot find paints in the shops nowadays, such is the demand," he says. Once a year the republic organizes open-air pavement painting, when every child draws with chalk on the roads. The standard of teenage art rivals anything in the

world. As Armenian exhibitions in the West have shown.

Luckily the Children's Art Centre has captured the imagination of the party secretary. Mr Igitian was given the rest of the block to turn into a theatre where children will themselves write, direct and act. It is due to open in September. A children's workshop is being built where the gifted will receive tuition in painting, ceramics, film production and other arts. Already the centre and the contemporary art museum employ a full-time staff of 300.

Tragedy, national and personal, lies close to Genrikh Igitian, and has sharpened his determination. He does not forget Armenia's catastrophe at the hands of the Turks in 1915. And sees a reinvigorated culture as the only answer to the genocide. Even now he will never hang a picture by a Turkish child in the centre.

More poignantly, the museum displays the magnificent paintings his son Reuben did between the ages of eight and 14. In 1975 Reuben, Mr Igitian's wife and daughter were killed in an air crash. From that day on he gave his life to the children's art centre.

"I need only 10 more years," he says. In that time he wants to build a centre for

aesthetic education that will be a model for the world. The Government has promised him all the money he needs.

He has ambitions for classical concerts, poetry readings, individual shows by eight-year-olds, pantomime design and decoration. He sees the mission in almost cosmic terms: "A person who loves Mozart will never kill another. This is how we can improve the world. Every child is talented, and it is we adults who are guilty for not bringing this out."

It will be five years before the child exhibitors of the 1970s establish reputations as mature artists. For the moment the Museum of Contemporary Art serves as the focus for those now active.

Mr Igitian says he will hang any picture, regardless of content, provided it is art. He decides what is art, and shoulders responsibility. Some Western visitors have called him a dictator, a term he resents. But he admits that one person must make decisions, as he does. He justifies the exclusion of anti-Soviet themes not only grounds of sheer common sense but also because this is propaganda, not art. Refreshingly, there is equally very little obvious Soviet propaganda on the gallery walls.

His vision of a rejuvenated Armenian culture is idealistic: harmony between government and intelligentsia, positive, healthy themes, freedom of expression. He did not find this in the West. He found much of today's art there "pathological" and was disappointed by what he saw in France. "Somehow the pulse seems to have weakened."

European MP to go on hunger strike

By Richard Owen

Signor Marco Panella, an Italian member of the European Parliament, is to go on "indefinite hunger strike" from August 1 to draw attention to the need for emergency aid to the world's starving millions.

This was announced today at a press conference in London to launch a manifesto signed by 54 Nobel Prize winners, calling for a "new political determination" to save the "tens of millions of people on the point of dying from hunger and underdevelopment."

The manifesto, originally devised by Italian parliamentarians, now has wide-spread European support, and was raised during the Ottawa summit of Western nations last week.

It calls for a "positive change in the well-meaning policies of aid" which only "salve the consciences of the more fortunate and do not save those at whom they are directed." What is needed is immediate action to avoid "an unprecedented holocaust," an extending the frontiers of barbarism and death.

British supporters of the manifesto such as Lord Brookway, the veteran campaigner, point out that according to the World Bank 780 million people now suffer from hunger in the Third World, a figure expected to rise to 1,300 million by the end of the century. Signor Panella's hunger strike is to continue until one tenth of those "in a state of imminent death" are given sufficient aid to enable them to survive.

Murder and politics

A new revolution is unfolding in France

From Charles Hargrove, Paris, July 27

The murder of a police inspector and his family near Marseilles a week ago, with its political ramifications, has stolen the limelight from the "quiet revolution" of the Decentralization Bill, which the National Assembly began discussing today.

But it is also something of a revolution of a different kind for the law and order at the head of the hitherto all-powerful and untouchable Service d'Action Civique (SAC) with its eloquent record of political scandals dating back to the M Pierre Debizet, the secretary-general of the organization, has been formally charged with complicity in murder, and committed to jail.

"Who could have imagined that a judge would treat so severely men who until then had been protected against all official suspicion?" *Le Quotidien de Paris* asks. "Every time a member of the SAC was arrested the investigating judge, and the judges before whom he appeared—when he appeared—would cast a discreet veil on his links with the parent organization."

This time, it will be different. M Debizet is being transferred to Marseilles and will be confronted with the four other people charged in connexion with the crime, including M Jean-Joseph Maria, aged 50, who recently succeeded M Jacques Massie, the murdered inspector, as head of the SAC in the Provence region.

The organization appears to have decided to eliminate M Massie because he knew too much and would not hand over compromising documents in his possession. Five members of his family shared his fate apparently only because they were there at the time, and knew one or more of the killers.

The killings were said to have been carried out with knives and iron bars. M Massie had his throat cut.

M Maria and the victim were among several people connected with the affair whom M Debizet met in Marseilles early in May, a conference which may have been its starting point,

and upon which the investigating judge hopes he will throw some light.

So far, only one of those in custody, M Jean-Bruno Pinchetti, aged 31, has confessed to his part in the crime, although it was obviously the doing of a commando of four or five men; and only one body has been found, that of the police inspector. There is still no trace of the other five victims but, after a week of frantic efforts to find them, the investigators have discovered the car in which M Massie drove home on the night he was killed, and it may provide a clue to the whereabouts of the others.

The other development in the affair is the release from custody of Maître Yves Destrem, aged 42, a well-known member of the bar of Aix en Provence, deputy mayor of the town, and an important figure in Gaullist politics in the region. He was also responsible for the SAC in Provence before 1977.

He declared on the radio this morning that he utterly rejected the hypothesis that the SAC could have ordered the murder of M Massie, whom he knew well. He also said he had met M Debizet in Marseilles on May 5 for half an hour.

Although some left-wing newspapers try to make political capital out of the Marseilles affair and the connexion between the SAC and the Gaullist Party, the RPR, the Socialist Government so far has been cautious not to be led into any such insinuations or innuendo. On Saturday the Prime Minister implied that responsibility lay rather with extreme right-wing groups with which the SAC has lately been identified.

The *Figaro* correspondent in Marseilles, however, writes today that "everything happens as though the investigators wanted to mention the largest possible number of names, and reach higher and higher in the hierarchy not only of the SAC but also of the RPR."

Hence last night's indignant protest from M Bernard Pons, secretary-general of the Gaullist RPR against "political exploitation" of the affair.

Japan stays cautious on whale quota

Tokyo, July 27.—The Japanese Government's fisheries agency said it regretted last week's decision by the International Whaling Commission (IWC) to postpone fixing the Japanese quota for sperm whales in the North Pacific next year.

Delegates at the IWC meeting at Brighton agreed by 25 votes to Japan's one to end sperm whaling in the North Atlantic and the Antarctic after this season and to fix the Japanese quota in the North Pacific at a special meeting in March.

A spokesman for the fisheries agency said: "We are relieved because the IWC meeting did not result in a 'no' ban on commercial whaling."

But it was regrettable that the meeting failed to fix the Japanese sperm quota in the North Pacific for the 1982 coastal season, he said.

Delegates at the Brighton said Japan was unlikely to be able to muster the 75 per cent support required to set the new quota.

The spokesman said the anti-whaling moves by non-whaling nations at the IWC meeting had deviated from the IWC objective designed to preserve whale stocks and to promote their effective use.

TROUBLE FOR TRAVELLERS IN SPAIN

From Our Correspondent
Madrid, July 27

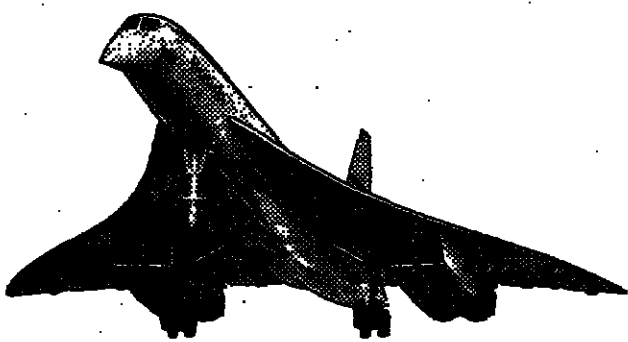
Air and road chaos appears likely in Spain next weekend—at a time of peak holiday travel—as a result of a continuing work-to-rule by Iberia airline pilots and a threatened strike of all the nation's petrol station attendants next Friday, Saturday and Sunday.

The petrol station attendants want more money to compensate for inflation and they are also asking for job security guarantees. The management insists that they cannot afford pay rises unless the state-run petroleum monopoly first increases the commissions paid to licensees.

The pilots claim that Iberia failed to respect a commitment made two years ago to give them extra pay and more freedom of aircraft from Madrid are now averaging more than one hour.

JAPAN SLOWDOWN
Tokyo. Japan's population stood at 117,009,002 on March 31—81,104 more than last year but the annual growth rate has fallen to 0.7 per cent, according to a survey by the Home Affairs Ministry. It was the seventh year in which the rate of population growth dropped.

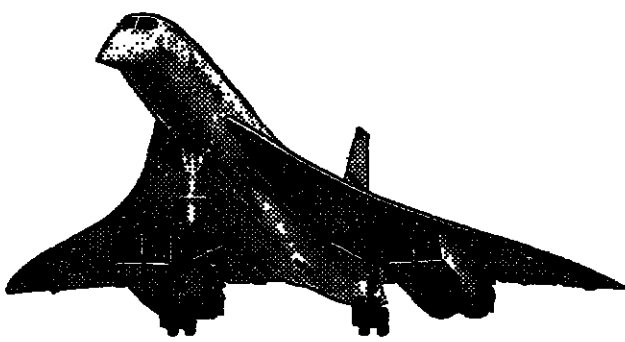
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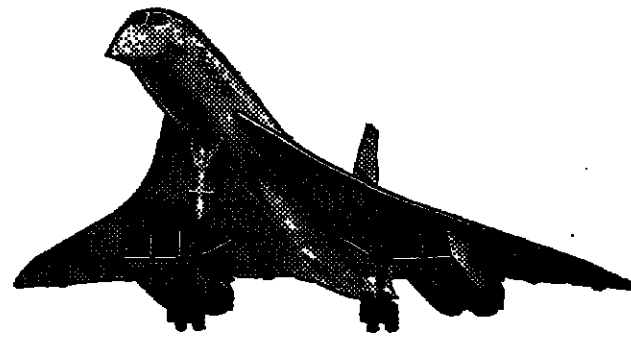
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Spanish leaders face strife in their parties

From Harry Debelinas, Madrid, July 27

The leadership of both the Spanish Communist party (PCE) and the ruling Centre Democratic Union (UCD) are facing a battle here today on the eve of separate elections with their respective internal dissidents. Under siege from a burst of "renovators" and a handful of "Afghans" within the Communist Party, Señor Santiago Carrillo, the secretary general, prepared to attend the party's tenth congress in Madrid tomorrow with a promise already given to step down from the central committee unless he and the policies he represents are approved by more than half of the 1,217 delegates. A few hours after that congress begins in a local theatre, the executive committee of the UCD will meet. Señor Agustín Rodríguez Sahagún, the centre party's president, is to discuss how to deal with a Christian Democratic rebellion in the party's ranks, led by the 39 UCD deputies and 22 senators who signed a document calling for the authorization of a "current of opinion" within the party to be known as "the moderate platform". Contrary to what the name suggests, those who have climbed on this "platform" are members of the conservative wing.

Both Señor Carrillo and Señor Rodríguez Sahagún are expected to put down their respective ideological insurrections, but nobody is sure at what cost.

The "renovators" associated with intellectuals, advocates of more internal freedom in the Communist Party and a few disparate elements, back a manifesto signed by 250 prominent party members which

basically calls for getting rid of the old guard, personified by Señor Carrillo himself, and installing younger men and women in posts of party leadership. They do not oppose his Eurocommunist line, but they do object to the present tendency to concentrate on workers' mobilization to such an extent that the potential contribution of intellectuals is minimized. The centre party dissidents claim that the UCD has drifted left of centre and failed to respect commitments it made to the voters. Among other things, they object to the divorce law in the form in which it was passed. "There is no doubt that the divorce law shows that certain sectors of the UCD formed majorities which they were not elected to form," explains Señor José Manuel Otero Novas, a member of the "moderate platform", former minister of education and in the Madrid newspaper *El País* today. In the Communist confrontation, the "renovators" may find themselves joined by a motley assortment of fellow travellers, each interested for his own particular reasons in toppling the "officialists", or the Carrillo clique. These allied forces, attacking the citadel of power in the Communist Party which has endured since the 1930s, include "Afghans", or hard-line pro-Soviet communists, so called because of their objections to the Spanish party's condemnation of the invasion of Afghanistan by the Soviet Union, and "golden beaks", or suspected power-seekers who lack strong support from the workers in the party ranks.

'Moonlight' economy feels the draught

From Peter Nichols, Rome, July 27

The real strength of the Italian economy has been the largely incalculable, and often invisible mass of spontaneous activities known as the "submerged" economy, or black labour. The reports are that this vital, if hidden asset is now failing. One Italian strength has been a genius for improvisation. Because the country is prone to disasters, both natural and man-made, the habit of mind has grown over the centuries of turning one's hand to whatever work was available or necessary. So official statistics about the performance of the economy told only a part of the story. One estimate that a quarter of the national income comes from the submerg economy, and a total equivalent to between a quarter and a third of the labour force lend their unofficial weight to it.

The first sign of faltering in the submerged sector of the economy came with the disastrous state so far this summer of the tourist industry, a crucial earner of foreign currency and a field in which many people lent a seasonal hand to the national task of seeing that as much as possible of that foreign currency stayed in Italy when the tourists left.

The tourist industry itself, of course, is not "black", but it provides many opportunities for casual employment. One small town, Anagni, alone recorded a drop of 4,000 visitors in the months of May and June by comparison with last year. One estimate of the national drop is about one-third. The reasons are many: inflation, violence, petty theft, strikes, noise, pollution even sharks are supposed to be frightening tourists off Sicily; but the fundamental point is that an industry highly adaptable to the needs of the moment is failing. And one of the reasons hoteliers give is that labour is now much more organized and so much more expensive. The unions are strongly opposed to labour which can be seen as "black" and is cheaper.

Building, too, is suffering from high interest rates which are part of the credit squeeze. The second house in the country or by the sea is no longer so eagerly sought, and will be less so if the fears are justified that the Government intends to tax more heavily houses not used as regular homes.

It is a common thing in Italy to find that a plumber or an electrician or a house-painter works the official civil service hours in an office from 8 am until 2 pm, thus providing himself with a salary and pension, augmenting one or other by private work in the afternoon.

Young people are blamed for the weakening of the submerged economy. It is true that they have a mentality new to Italy. They seek security and prefer to do nothing rather than lose the chance of an office job with a pension (and, presumably, time to do some other work in their free time). There are, for instance, long lists of young people unemployed even in small towns while bakeries close because no one wants to bake bread. It could mean that the Italians have decided to give up their long, and profitable, experience of improvisation and of adaptability to existing circumstances. There can scarcely have been times which required such qualities more.

Fiscal policy has lately been aimed intentionally at the "black" shades of the economy where, naturally, evasion is widespread. Restaurants, bars and women's dress-makers have been some of the main targets in a drive to increase the VAT yield. Again these are areas leaving space for private initiative, in the sense of providing statistically non-existent employment and plenty of opportunities for casual labour.

Even smuggling is feeling the changing times. The high murder rate in the Naples area which is now running at 100 since the beginning of the year is evidence of the failure to control the market in smuggled cigarettes which cost more because of the strong dollar and so allow a smaller margin of profit. Smuggling is an important industry in Naples, giving work to thousands.

DISSIDENT ON TRIAL IN PRAGUE

Vienno, July 27.—Mr Rudolf Battke, a Czechoslovak dissident, went on trial today in Prague, accused of subversion, diplomatic sources in the Czechoslovak capital said. Members of his family were allowed to attend the trial, but Western diplomats and journalists were barred from court. The atmosphere outside the court building was quiet. Full details of the charges against Mr Battke, aged 57, a historian and sociologist, were not available. However it was understood the trial was expected to last two days, and that he could face a jail sentence of five years or more if convicted. Mr Battke, a former spokesman of the "Charter 77" human rights movement, was arrested in June last year. In 1972 he was jailed for three and a half years for alleged subversive activities. —Reuter.



Mr Peter Walker, the British Agriculture Minister, with Herr Hans-Jürgen Rohr, his West German counterpart, in Brussels yesterday.

Animosity between officer groups

Zia murder trial underlines Bangladesh Army rivalries

From Trevor Fishlock, Chittagong, July 27

Twenty-nine officers and two NCOs are being tried by a seven-man court-martial in the cantonment here for their part in the murder of President Ziaur Rahman. A few people doubt that some of them will soon face firing squads. Their end will be in keeping with Bangladesh's bloody history. The country was born 10 years ago amid massacres. It did not spare one of its best friends, Colonel Abu Taher, who had played a prominent part in the coup that brought Zia to power. Taher's radical political ideas and call for a secular, democratic road, the gallows in Dacca in 1976.

Enmity between the two groups grew from the secession war with Pakistan. Taher, and many others who died, were known as freedom fighters, which was the name given to those who fought in the secession war of 1971. They are an important element in Bangladesh's history, and much violence can be traced to the animosity that developed between them and the Bengali officers stranded in Pakistan during the war, and who were later repatriated.

The fighters were deserters from the Pakistan Army, or students. Some rose quickly to high ranks. Inevitably, they saw themselves as heroes. They felt they deserved recognition and much reward as creators of the

new nation. Many got it, and their demands remain an important consideration in Bangladesh politics.

Zia was a freedom fighter and national hero, but like other professional soldiers he did not believe that freedom fighters were better soldiers than the men repatriated from Pakistan, whom he considered better trained, less politicized and more loyal.

He knew the freedom fighters were a source of trouble. Many were disgruntled, their political ideas were unpopular with the establishment, and they had several times shown their willingness to take up arms against the Government.

In the hierarchy one of the few freedom fighter officers left was Major-General Abul Manzur, who was implicated in Zia's death. Like Taher, he was a friend of Zia.

They fell out. Manzur was as strong-willed as the President and was reckoned to be ambitious and arrogant. A turning-point was the selection of the Army chief. Manzur thought he deserved the job, but Zia gave it to Lieutenant-General M. Ershad, a repatriated officer.

About 10 days before the President went to Chittagong a number of officers, including Manzur, met Zia in Dacca. They complained about corruption and said Zia was heading too fast down the democratic road. Two days before he left the capital for Chittagong, he had issued orders for Manzur to take command of the staff college.

It was a showdown. For Manzur it meant a demonstration of his power base. Supporters of Manzur guessed that for them, too, the writing was on the wall. Zia, apparently ignoring warnings, flew on May 29 to a city whose garrison was commanded by an ambitious man he was about to humiliate, and staffed in part by officers who did not like the way he was running the country.

Zia went to bed at two am in the Circuit House, a mansion in the centre of the city. A little under two hours later two rockets were fired into the house and five men ran to the President's suite. Zia ran on to the landing and was killed. Eight people in and around the house were killed. The armed forces remained loyal to the

Government. The rebels held Chittagong for two days and Manzur made one short broadcast. He never said he was the head of a new government.

On Sunday, May 31, he called a meeting of leading Chittagong citizens. A reporter said: "He raved and ranted... he wobbled out of the room looking like a stuffed soldier, already dead."

He was arrested next morning 30 miles north of Chittagong. A policeman is said to have tape-recorded a long statement.

Manzur asked to be sent to the civilian prison, but the Army came for him and took him to the cantonment. The official account says he was killed by a group of people, but the general belief is that he was shot in the cantonment.

Weight of the evidence so far suggests that there was no larger conspiracy

There was little alternative. The trial and execution of such a person would have caused the considerable strains within the Army at a particularly sensitive time.

Zia knew Manzur was a potential danger but believed he would not attempt a coup because he would not be able to carry it to a successful conclusion.

Conspiracy theories abound, and one purpose of a Supreme Court inquiry, a military inquiry and the court-martial, which is being held in camera, is to discover whether Manzur was part of a larger plot.

The weight of the evidence disclosed so far suggests that there was no larger conspiracy. There are two simple explanations. One is that freedom fighter officers took the initiative, killed a President they despised and presented Manzur with a fait accompli. This version has then convinced him from sleep, leaving him, horrified, to take responsibility. The other explanation is that Manzur, leading willing and equally angry conspirators, allowed conceit, ambition and bitterness to cloud his judgment and made a desperate and foolish gamble for power.

UN envoy to try for a dialogue on Afghanistan

From Hassan Akhtar, Islamabad, July 27

Señor Perez de Cuellar, the personal envoy of Dr Kurt Waldheim, the Secretary general at the United Nations, is expected in Islamabad next week in an effort to open a dialogue on Afghanistan among the representatives of Afghanistan, Pakistan and Iran.

Dr Waldheim had given the Cuban official the task in February this year to start talks on the situation resulting from the Soviet military intervention in Afghanistan in December 1979.

Señor de Cuellar paid his first visit to Pakistan and Afghanistan in April but was unable to visit Tehran because the Iranian Government refused to have talks with the Karmal regime in Kabul until after the withdrawal of Soviet troops.

Señor de Cuellar's coming visit to Pakistan and Afghanistan has been welcomed by official circles in Islamabad but they make no secret of their feeling that the United Nations special envoy is unlikely to achieve a breakthrough in the present situation.

Belmopan, Belize, July 27.—Thousands of people poured into Belize City yesterday to celebrate the coming end of British rule, while opposition politicians planned a protest demonstration.

Packed vehicles roared into the city bringing more than 10,000 people to a government "victory rally". The rally came after Britain's announcement that Belize, its last Central American colony, would become independent on September 21.

The announcement, made simultaneously in London and

CIA blamed by Castro for epidemic

Victoria de las Tunas, Cuba, July 27.—Dr Fidel Castro, the Cuban leader, accused the United States yesterday of biological warfare against Cuba in connection with an epidemic that has killed 113 people in the last four weeks.

In a speech marking the twenty-eighth anniversary of an abortive attack that launched his revolution, Dr Castro demanded that President Reagan "tell whether he is going to authorize or not authorize the CIA to spread plagues over Cuba".

"They cannot be so cynical nor so shameless as to remain in silence", Dr Castro said in a two-hour speech before a crowd estimated at 100,000 people. In the past four weeks, he said, 278,404 people had fallen sick with the tropical disease Dengue, which is transmitted by mosquitoes, and 113 people had died, including 81 children.

Cuba suspects the United States of having provoked the outbreak of dengue, also known as breakbone fever, Dr Castro said. He added that the United States Senate 20 years ago had called biological warfare "an efficient human weapon" and alleged that in 1975 another Washington plan had sabotaged the Cuban sugar harvest.

"The lack of scruples, the cynicism, and the lies of the Government of the United States has given Cuba the suspicion that the present dengue outbreak has been sown by Yankee Imperialism", Dr Castro said.

Prensa Latina, the Cuban news agency said Dr Castro called on Washington to "define its policy of bacteriological war"—UPI.

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EEC argue over size of herring catch

From Ian Murray, Brussels, July 27

The wisdom of allowing herring to be caught again in the southern North Sea and off the west coast of Scotland was argued out at a special fishing council in Brussels today.

decided to ban herring fishing in order to protect depleted stocks, and was backed in doing so by the European Commission. Recent scientific evidence suggests that the herring stocks have now recovered sufficiently to allow a catch limited to 145,010 tonnes between now and the end of the year.

Only the Danes were totally opposed to the idea, arguing that the suggested size of the total allowable catch was too much. But in view of the fact that Danish fishermen have been able to catch herring in the Baltic, they have not been particularly hard hit by the ban.

The French, on the other hand, argued that for social and economic reasons the proposed quotas, particularly in the southern North Sea, should be enlarged.

Britain, however, has taken the position that over-fishing will inevitably kill the industry for ever, and Mr. Alick Buchanan-Smith, the junior minister responsible for fisheries, said it was essential to ensure that proper control measures were brought in to see that quotas were observed.

Holland, West Germany, and Ireland joined Britain in approving the Commission's suggested proposals, but with Denmark on the one side trying to get them reduced and France on the other trying to get them increased, the search for a compromise proved difficult.

Five held as Kaunda acts to quell strikes

Lusaka, July 27.—President Kenneth Kaunda said today that four senior trade union leaders and a businessman had been detained here for inciting illegal strikes with the eventual aim of overthrowing the Government.

The ruling United National Independence Party (UNIP) and the Government had decided to detain the five to maintain industrial peace and security in the country, he said in an early morning broadcast to the nation.

Dr Kaunda named the five as Frederick Chiluba, chairman of the Zambia Congress of Trade Unions (ZCTU), Newstead Zimba, ZCTU Secretary-General, Chisala Sampa, ZCTU Deputy General Secretary, Timothy Walamba, the vice-chairman of the Mineworkers Union of Zambia (MUZ), and Chama Chakombwa, a businessman in the northern Copperbelt city of Ndola.

The detentions follow the second big strike in Zambia's vital copper and cobalt industry in six months and a series of labour disputes in the state-run Zambia Railways Company.

Dr Kaunda said the labour leaders had met other people to instigate illegal strikes in the country in both the mining industry and on the railways. The Zambian President has previously warned the trade union movement that he would act decisively against wildcat strikes.

Last Friday, Zambia's two state-controlled mining companies reported the virtual end of the Railways' work almost paralyzed the industry and led to clashes between police and strike supporters.

Dr Kaunda said that there had been 84 illegal strikes in Zambia this year involving more than 46,000 workers.

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M RHEUMATIC PAIN	N MENSTRUAL PAIN
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Batting from Memory, 2: by Jack Fingleton

In this second extract from his latest book, Jack Fingleton analyzes the strengths and weaknesses of the Don, "the greatest batsman in the history of cricket".

The amazing Bradman

This won't be an easy chapter to write but it must be faced, even if only to attempt an analysis of Sir Donald Bradman, indisputably the greatest and most publicized batsman in the history of cricket. I have received much criticism over the years, mostly from sycophants, I feel, for having an occasional "dig" at the Great Man; but no pressman had the chance of batting with him, travelling, touring and living with him as I did, so I consider myself equipped to write dispassionately of him as a batsman, as a legislator who had a tremendous influence on the game, and as a person, observed at close quarters.

After meeting Bradman for the first time in Adelaide our war time Prime Minister, John Curtin, said that he would have liked to have Bradman in Canberra, that he would have made a wonderful politician. By this Curtin meant that Bradman was a sound thinker, who expressed himself well.

Yet Bradman had other attributes to qualify him as a wily politician. He had a cool and incisive mind. He was a skilful exploiter of his name and fame: once chairman of the Australian Board he went into print to extol the virtues of not apparent too many — of a team he had helped choose to play the West Indies.

On the other hand, saying he wanted to avoid publicity, he was equally skilful over three to four years observing a steady silence on the biggest upset known to cricket, the World Series Cricket breakaway. He resisted any attempt to interview him — above all on Packer cricket.

Bradman finally broke his silence in a much-trumpeted article in the *Sydney Morning Herald* in March 1980, but he managed to spread himself over four-and-a-half pages of broadsheet without once mentioning the name of Packer. Bill O'Reilly, who had been a colleague of Bradman's in many Tests and who wrote for the same newspaper, was invited to comment on the comments.

In his usual forthright way, O'Reilly said Bradman had fallen well short of the mark. He said what most people wanted to know about was the sacrifice of spinners in the game, wholesale appealing and the incredible slide in the behaviour of players on the field. "To the dyed-in-the-wool cricket enthusiast" wrote O'Reilly, "no present feature of the game is more depressing than the disgusting displays of larrikinism that seems to have taken melancholy control of field tactics in recent years".

Kicking over the stumps

O'Reilly wanted to know what Bradman thought of players kicking the stumps over, a nauseating habit introduced by the Australian, Rodney Hogg, and allowed to go unpunished by our Board of Control. He wanted Bradman to write another article and expatiate on the many aspects of the modern game. Bradman ignored the invitation. To me also, the significance of the article lay not in what Bradman wrote but in what he didn't. The avoidance of Packer's name was a considerable feat, because I would think Packer had had as much influence on cricket as Bradman himself.

Obviously, Bradman had his own reasons for not referring to Packer and one can only guess at these. Then, too, Bradman might have put himself in an invidious position had he reflected tartly on players throughout the world who had defected to Packer mainly for reasons of cash. Bradman was, arguably, the first superstar in any sport who manipulated his fame to his own ends. In the thirties, for instance, when his fame was at its height, he made a pop record in which he played the piano. It sold well.

In a critical review of a book I recently wrote on Trumper, which extolled the virtues of Trumper on a "sticky" pitch to the detriment of Bradman in such circumstances, one Gerald Pawle had this to say in the *English Cricketer*: "More apposite are Fingleton's views on Bradman, not entirely unknown to aficionados of a long-standing rivalry but revived here with intemperate zest."

Never, in my extensive cricket days throughout the world, have I known anybody guilty of "rivalry" with Bradman. He was freely criticized by others for being a loner, but that was his own business. Every cricketer I have known the world over gave Don the fullest credit for his amazing ability.

His early critics, the Englishmen Percy Fender and Maurice Tate among them, expressed

very ideas of how the puppyish unorthodoxy of his early days could lead to problems for Bradman on English pitches. Don noted these criticisms and dealt with them in the best possible manner — with the bat.

In whipping himself up about "rivalry", Pawle omits to say what all this was about. In that book I related, for the first time, how the Warner-Woodfall story from the dressing-room of 1932-33 leaked to the press. "Plum" Warner and R. C. N. Palat, the two English managers, came to the Australian dressing-room to express sympathy with Woodfull, who had been hit a dreadful blow over the heart by Larwood. Woodfull, still shaken and lying on a table, sent them scuttling from the room with the remark: "There are two teams out there. One is playing cricket, the other is not."

That story leaked to the press and for years I was given the blame. Claude Corbett, now dead but then of the *Sydney Sun*, got the story exclusively and told me that Bradman had rung him at his hotel, arranged a rendezvous in Bradman's car on North Terrace at night, and there Don gave Claude a splendid account of the incident and the words used. Claude thought the story too hot to use on his own and after having cut at it, gave it to his fellows.

Warner jumped very quickly to the conclusion that I was responsible for the leak. He offered Larwood a quid if he could dismiss me for another duck in the second innings (which he did) and in a subsequent book Warner wrote: "Unfortunately, there was a journalist in the Australian team and next day the story was blazoned all over the Australian newspapers."

Plum very much pointed the bone at me, Bradman would have saved me a lot of backslash in the game had he admitted that he had given the leak. He was then a third-part owner of the *Sydney Sun* and had every right to leak such a vital story. Warner was being more than naive, in the tumult and tension of those times, if he thought a story like that wouldn't surface from the Australian room. One other of our team had a strong press affiliation.

There were those in cricket who were jealous of Bradman's great name, his fame, the business spin-off he enjoyed, and went looking for faults in him, real or imaginary. Bradman's success in business earned understandable envy from many fellow-players. In his book, *Parasail to Cricket*, in which he seemed to answer every criticism made of him, he wrote of the occasion in 1930 at Headingley when he made the then record Test score of 334 and of how he was criticized for remaining in his bedroom the night of his epic.

Bradman preferred to listen to music rather than submit himself to the gaze of his admirers by going down to dinner. He would have hated entering the dining-room that evening with everyone standing in clapping adulation and the band playing an appropriate tune. But what influenced his team-mates against him and gave rise to later claims against them of jealousy was the gift to Bradman by an Australian industrialist named Whitelaw of a cheque for £1,000 (sterling) to commemorate that score.

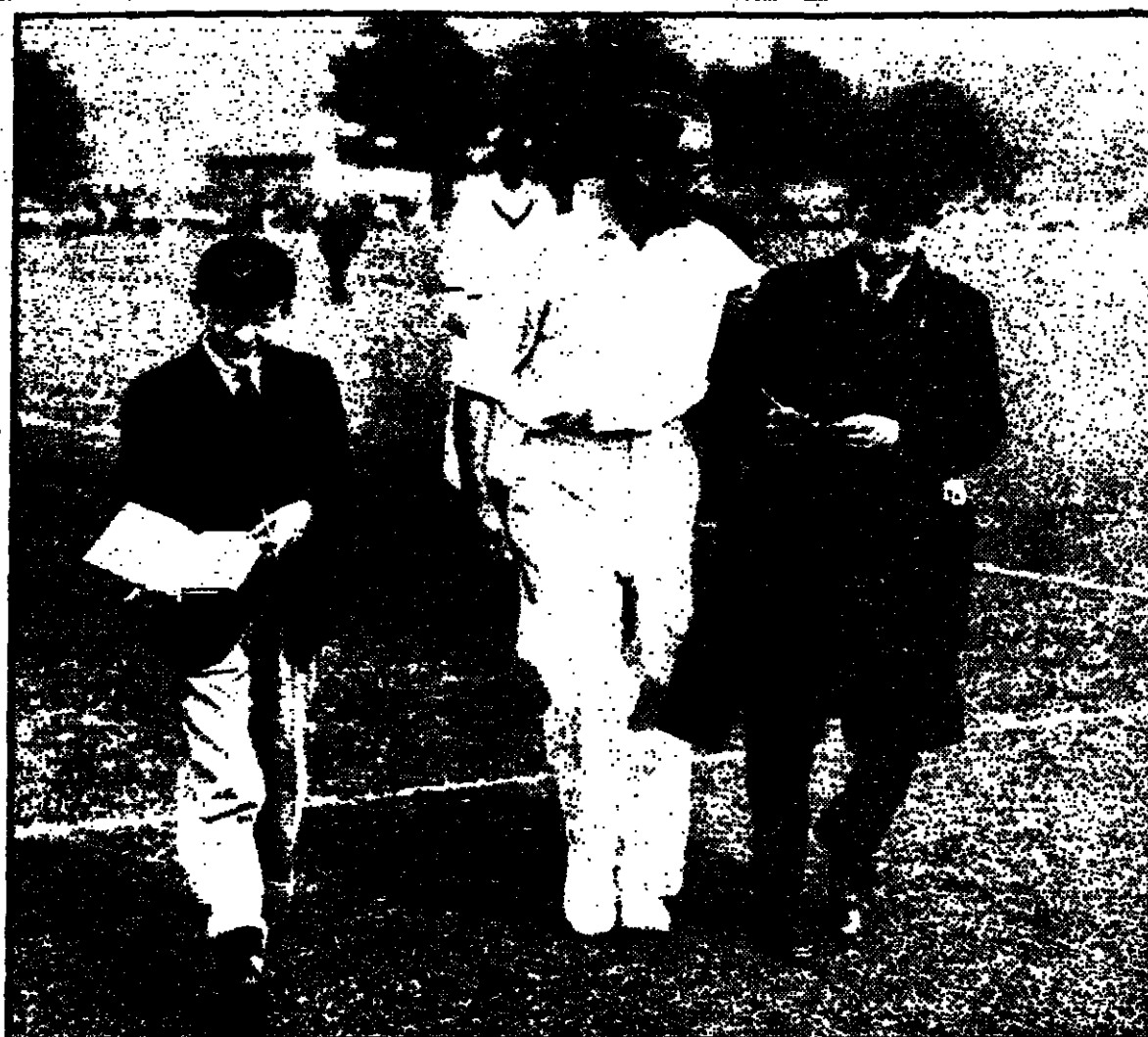
Bradman never bothered to stand his team-mates a pint (many would not have had one) to acknowledge their part in aiding him or to toast his good fortune. £1,000 was big money in those days. Bradman was then, in many ways, an immature lad; he was not quite twenty-two.

Had this happened in later life, I think he would have been diplomat enough to quell any feeling against him. But he didn't help his cause with those avid to carp at him by cutting down to earth from his fellows on returning to Australia, and making "See The Conquering Hero Comes" appearances at various theatres, or by writing that he had no objection when some who had criticized him stayed late at the ground, drinking. These team-mates avoided public fraternization as much as Bradman, and to suggest that they would stay behind drinking at public bars was nonsense. They would have a beer in the dressing-room, and a song too, but that was their way of life and of cricket, even if it wasn't Bradman's.

Still, the path of a successful sportsman is never a smooth one and Bradman knew that however he reacted he would have his critics. Looking back, I don't think anybody could blame him for making the most of the greatest publicity known to any cricketer. Besides, it generated interest in the game. Boiled down, it meant that



Bradman in 1949 after making the highest individual score at Lord's.



Bradman in 1934 has a smile and an encouraging pat on the shoulder for a young autograph hunter.

Bradman was just too proficient and successful in whatever he did, cricket or business, so far as many of his fellows were concerned.

New faces in the game

Bradman had not had a happy introduction to the NSW side or to Kippax. He came in the transition from the First World War era to that of the Depression. The brilliant Australian Imperial Force side had kept NSW and Australian cricket going for years, but time had taken its toll and men like Collins, Bardsley, Macartney, Taylor, Andrews (though he played a little longer than the others), Kelleway, Gregory and Mailey were departing the game, and in their stead came the Portuguese Army, self-designated as such because they were

most happy-go-lucky, unconventional chaps, typical of an Australian way of life.

Inter-State trips were then made by train and many were the jokes indulged in by the "oldies" of the team to pass the long hours. Bradman had his leg pulled unmercifully on his first trip to Adelaide. It was harmless fun, no doubt, but the Don wasn't too happy about it.

He soon gave his team-mates another view of his character by making 118 in his first big innings. There were no more jokes about him. In 1927 he came into the NSW side and, next summer, he made the Australian team. He was never again a figure of fun.

Bradman never allowed success to inflate his ego, he was too modest and sensible for that. In a country tour our NSW side made in 1933 he patiently made himself available to thousands of kiddies who queued up for hours to get his autograph

at the various towns we visited. I never saw him refuse anyone, signing in a beautiful flowing style. He dealt meticulously with his pile of correspondence in the dressing-room, often reading to us extracts which amused him. He did everything with care and detail.

I recall him most vividly when, not out at lunch, he would ask dear old Walter McGlinchey, who looked after our room, to bring him a batsman's lunch from the dining-room above. Walter, a player of old, would bring a tray with a glass of milk on it, some rice pudding, cheese, roll and butter. Bradman would sit, cooling off at the long table, his pants off and a towel wrapped around him, his bat, pads, gloves and box near by.

It was a lesson to watch him, masticating each mouthful slowly as he planned the afternoon ahead. "Let me see now", he would ruminate. "I am so many

now. By tea, I should be so many. By stumps, so many again." The thought of dismissal never came into his head. Always enormously confident, he set himself a time table which he rarely failed to keep.

It was no easy matter to bat with him. Bradman was all the crowd wanted to see, and they became more than impatient with the opening batsmen who kept him too long from view.

Then, it was not possible to have much of the strike while Bradman was there. He was such a fleet and superb runner between the wickets that he always managed to manipulate the strike; this was fair enough, as he could do so much more with it than anybody else. The batsman in runs who failed to fall in with his call had invective poured on his head from over the wickets.

He scored runs almost by stealth. An opening batsman might have managed 40 or more struggling runs when Bradman came in. In no time the Don would make it a fetch to score off the first ball, his piercing call of "Right!" resounding around the field, was soon into double figures and away. He would leave his partner far behind in quick time. To bat with him was an exercise in embarrassing futility.

In time I had several long partnerships with Bradman. I batted first with him in that game against Victoria. My most vivid impression of that was the flow of obscene wicket-keeper Jack Ellis used behind his back. "Haven't you had enough yet, you little —?" Ellis would say, as he bent down behind Bradman's back. Ellis was a florid, knock-kneed character who went to England with Collins's 1926 side, but so far as Bradman was concerned that Sydney day they could well have been on different planets. We both got centuries in 1931, NSW against Cameron's South African Team and we had a record sixth wicket partnership of 346 against Allen's English team in Melbourne.

In 1932, Bradman and I had travelled across the Nullarbor Desert to play for an Australian XI against Jardine's Englishmen at Perth. The enthusiasm over Bradman was incredible. At lonely outposts on the long, straight railway line, children clustered and called: "Bradman, Bradman", as the train rushed through the night. Not even royalty attracted such a large crowd as Bradman did at the Perth railway terminus.

A first taste of bodyline

It proved not a very happy match for the Don, and I wondered once when he called a mid-pitch conference and asked me to take Allen. "I think they are going to have a pop at me", he said. The composition of Jardine's team clearly indicated to Bradman what the English intentions were but Allen would never agree to bowl bouncers. He could afford to be aloof — he was an amateur. It seemed odd to me at the time that Bradman should want me to take Allen. Bradman would have been the first batsman chosen in an Australian team of any year; I would be bracketed with about four others for the final batting position in 1932. I finally got the place on the strength of my innings for NSW against England in Sydney, when I had my first unpleasant taste of bodyline and went through the innings for 119 not out.

I had a short period out of the NSW team after an operation, for of all things, a football injury. When I returned to the side in the early thirties the line of demarcation on Bradman was clearly defined: One either liked him or didn't.

I was in an awkward position. Alan Kippax, our NSW skipper,

was also my club captain and I liked him as a man and as a wit. He certainly had no personal liking for Bradman. I had much in common with Stan McCabe and Bill O'Reilly. We talked a similar language. Although they had no enmity or "rivalry" with Bradman, they had no real comradeship. They were not on the same wavelength.

The lines, then, were formed when I returned to the NSW team and no doubt Bradman thought I lined up with my mates against him. I see now why he would have thought so and how I could have been more diplomatic with him. We disagreed openly one day in the dressing-room over some trivial matter. I should have had more "nous", realizing what influence he had in the game, and kept on the right side of him.

He never dallied in the dressing-room after play to have a sing-song or glass of beer with us. He never worried about drink though he was not averse, on social occasions, to a sweet sherry. I think once I saw him smoking a cigarette. After play, he would be dressed and away, the first out of the room, to meet, as we thought, some business acquaintance. He always had a sound head for business.

Bradman and the captaincy

I have written elsewhere of the press part I played in 1934, when I missed selection for the tour and England. I worked back late at night at my *Telegraph* newspaper office. As a pressman, I went out on the launch at early light and came up the harbour on the *Orontes*. I spoke with many of the team and Alan Kippax tried to sell the theory that Stan McCabe, and not Don Bradman, should be the next NSW captain.

Much as I liked McCabe, I did not come at that time. Bradman could have the captaincy if he wanted it and I was not of the chopper over that. Bradman solved the problem later by moving to South Australia.

In Harrogate in 1938, the night before the vital Test at Headingley, somebody procured a football and we all proceeded to a playing field opposite our hotel. There we indulged in the most bizarre game of football anybody could imagine, and nobody enjoyed it more than Don Bradman.

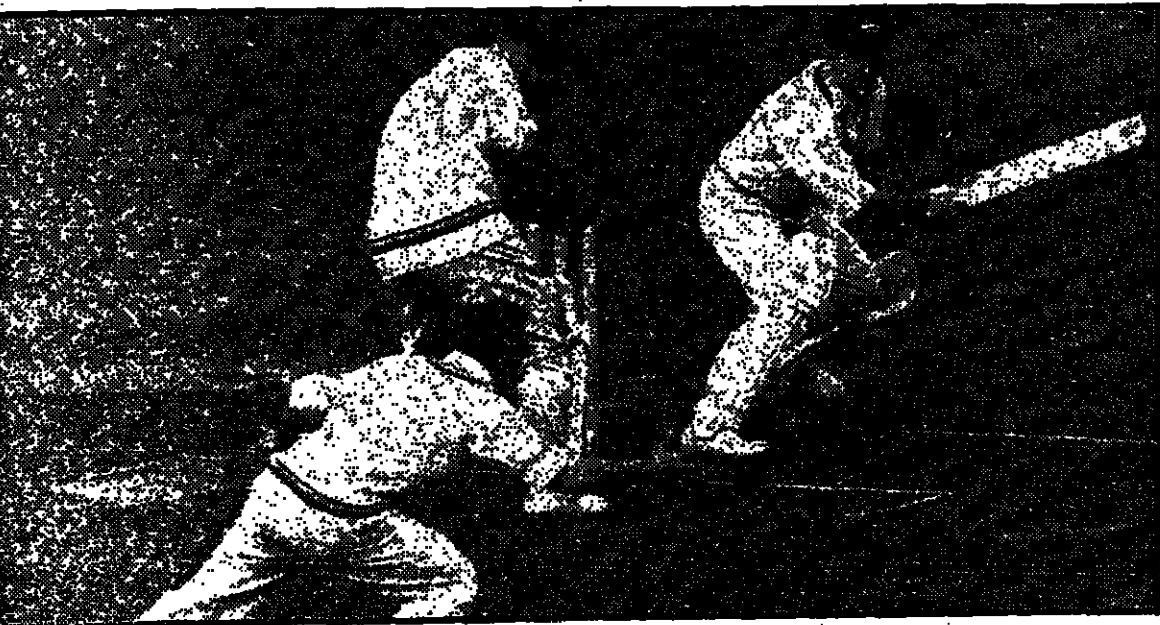
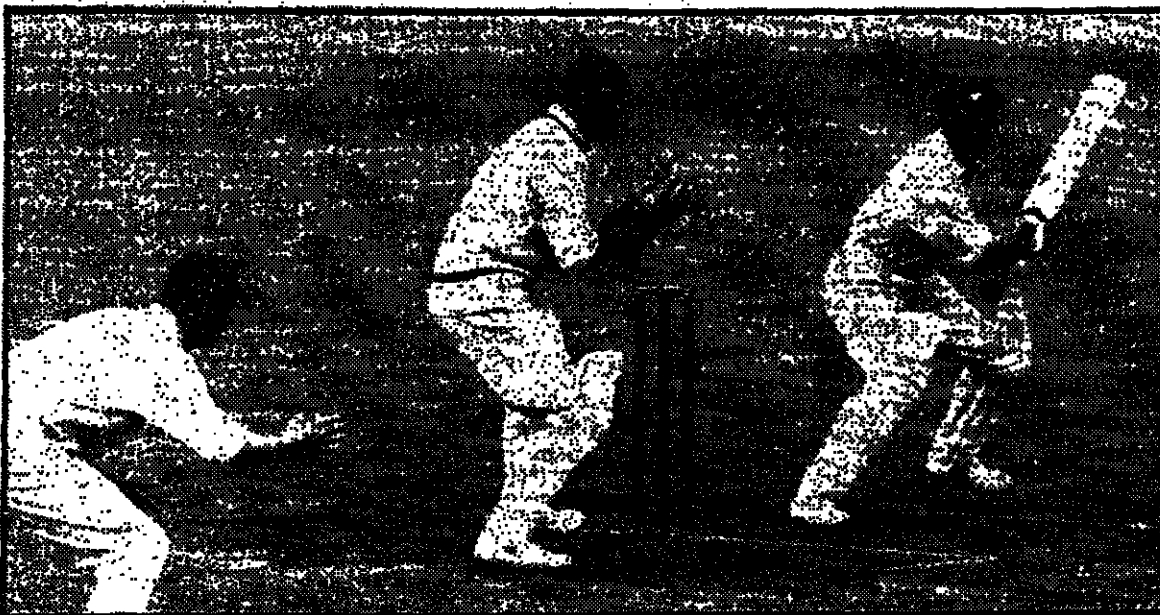
Our team was split 50-50 between Australian Rules and Rugby enthusiasts, and everyone thought it imperative he should do his best for his code. It was the roughest, toughest game of Ruffery Rules imaginable on the eve of a Test. Injuries and muscle-tear were not far away but nobody seemed to think or care.

When we were at Grindleford, in the Derbyshire hills, news came that our Board of Control had refused Mrs Bradman permission to come to England when the tour had finished. The Board said it was in conflict with our contract, an odd situation to visualize today, when wives and children travel with an English team in Australia.

We thought this appalling, held a team-meeting and told manager Bill Jeanes what we thought. I played the part of what would have been shop-steward today and also told him that if Mrs Bradman were not allowed to come to England, he could play the final part of the tour on his own. The Board capitulated. Not only Mrs Bradman came, but other wives too.

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Tomorrow: More memories of Bradman



A cut above the rest: in three dramatic pictures Bradman shows the same perfect poise (from the top) in 1934, 1933 and 1948.

The Times guide to the world's monarchs

Tomorrow, all the crowned heads of Europe, except the King of Spain, will troop down St Paul's Cathedral in a great show of monarchy.

"The use of the Queen in a dignified capacity is incalculable", wrote

Walter Bagehot a hundred years ago.

Today only a tiny proportion of the 150 nation states is left

with a crowned head, but monarchs are surprisingly resilient.

Hugo Vickers and Richard Owen profile the survivors — and some who have gone.



The royal guests in 1952, the last time an heir to the British throne was married: front row (left to right) Nadejda, Marchioness of Milford Haven; Alice, Princess Andrew of Greece; Princess Margaret; Prince William of Gloucester; Marquess of Milford Haven; Princess Elizabeth; Prince Philip; Prince Michael of Kent; Princess Alexandra of Kent; King George VI; The Queen; Duke of Gloucester; Prince Richard of Gloucester; Princess Helena Victoria; second row (left to right) Prince George of Denmark; Marie, Princess George of Greece; Countess Mountbatten of Burma; Princess Marina, Duchess of Kent; Juliana, Crown Princess of the Netherlands; Queen Frederica of Greece;

Queen Mary; Queen Victoria Eugenia of Spain; Queen Ingrid of Denmark; Louise, Crown Princess of Sweden; Helen, Queen Mother of Romania; Eugenie, Princess Dominic Radziwill; Duchess of Gloucester; Princess Marie Louise; Gustaf Adolf, Crown Prince of Sweden; back row (left to right) King Peter of Yugoslavia; Lord Louis Mountbatten of Burma; Juan, Count of Barcelona; Prince Bernhard of the Netherlands; King Haakon VII of Norway; Prince George of Greece; Prince René of Bourbon-Parma; King Frederick IX of Denmark; King Michael of Romania; Prince Michael of Bourbon-Parma; unidentified woman's head; Prince Jean of Luxembourg (partially obscured).

Crowned heads of Europe The ten survivors



Queen Margrethe of Denmark with Prince Henry and children



The King and Queen of Sweden



Abdication: Queen Juliana hands over to Queen Beatrix



Absent: King Carlos of Spain and his family

Since the Queen never attends royal events overseas, it is pleasing that so many foreign kings and princes are coming to England for the royal wedding. Until the King of Spain announced that he would not attend, all the sovereigns of Europe were expected to process into the cathedral just before the Queen's procession. They are called the procession of foreign crowned heads, an interesting misnomer since few have worn their crowns.

In the Netherlands, Sweden, Denmark and Norway, for example, the crown is not worn. The "coronation" is more of a swearing-in ceremony. All these monarchs and princes are seen more as a symbol of unity in the nation with clearly defined role in a written constitution than as kings of old. (The exception would have been the King of Spain who is more directly active as a force in politics).

While all the crowned heads are by and large popular and well-loved figures in their countries, it is interesting that during the last war most of them were forced to leave and set up governments-in-exile. Monaco was overrun by the Germans, Liechtenstein was neutral, the Luxembourg royal family made their way to Quebec, the Dutch Queen Wilhelmina came to London and the rest of her family went to Ottawa, the Spanish monarchy had already been overthrown, Sweden was neutral, Denmark, though occupied, remained the home of its royal family, and Norway fled to London while the office of Crown Prince Olav to stay as voluntary prisoner of war was turned down. Meanwhile the Belgian royal family was sometimes in Brussels and sometimes in captivity.

The procession of crowned heads is by precedence of length of reign, but the princes come first, Prince Rainier and Princess Grace of Monaco are the most jet-set of the group. The Prince succeeded his maternal grandfather in 1949 at the age of 26. He holds the executive power in Monaco, sharing legislation with the National Council. He has his own cabinet to advise him and undertakes his duties under a constitution promulgated by him in 1962.

He is a keen businessman who has encouraged Monaco's development as a resort and organized an extensive and imaginative programme of building. The economy of the principality has improved greatly and its skyline and coastline

are forever changing. The Prince's marriage to Grace Kelly took place in a blaze of publicity in 1956, which has scarcely diminished over the years.

Prince Franz Joseph of Liechtenstein succeeded his great-uncle in 1938 and is the first reigning prince to live permanently in the principality. Liechtenstein, a small country of 160 square kilometres, is a "constitutional hereditary monarchy upon democratic and parliamentary basis". Power is vested in the Prince as head of state and defined by a written constitution.

Liechtenstein has prospered over the years with industrialization, a lively tourist trade, and a flourishing building industry. Company taxes being the lowest in Europe make it favourable for high international finance.

The Grand Duke of Luxembourg reigns over a thousand square miles. At the end of the war he made a triumphant return to his country. For many years a member of the Luxembourg State Council he succeeded his mother on her abdication in 1964. Sovereign power rests in the Luxembourg nation and the Grand Duke exercises it in conformity with the constitution.

It is he who exercises the executive power, makes the regulations and decrees for the execution of laws, presides over the council of state and opens and closes the sessions of the chamber of deputies. The Grand Duke is prominent in the European Community which draws the Grand Duke closer into international affairs.

King Carl Gustaf of Sweden succeeded his 90 year old grandfather when he was 27. Well trained by him, it is disappointing that the present King has had his powers reduced to that of figurehead by the 1975 constitution. He is head of state and opens the annual session of the Riksdag. He is president of the foreign affairs advisory council, but takes no part in government meetings nor does he sign any bills. His main role is as royal ambassador for Sweden. His popularity has been much enhanced by his queen, who was a commoner and a career girl before marriage, and whom the Swedes have very much taken to their hearts.

Queen Beatrix of The Netherlands succeeded to the throne last year on the abdication of her mother. In a sense Holland is a republic with an

hereditary head of state. When Queen Beatrix came to the throne, a few anti-monarchists questioned the need for a queen but nobody felt strongly enough about it to take any action, though there were some riots.

The Queen has no power, but some influence. A period of particular importance and one which Queen Juliana always banded deftly is the transformation time between governments. At other times "The Queen can do no wrong". The ministers are responsible.

Queen Margrethe of Denmark is above all a scholar, having inherited her brains from the Bernadotte family. She has studied at five universities, speaks six languages and has put her hand to domestic science, judo and even rifle practice. Like her grandfather, King Gustaf of Sweden, she is a keen archaeologist.

Denmark's monarchy is a simple and informal one with the minimum of ceremonial.

The Queen is also able to walk almost unnoticed in the streets of Copenhagen. She is the first queen to have visited Russia since the Revolution.

King Olav of Norway is the last surviving grandchild of Edward VII. He was born in England and arrived in Norway at the age of two when his father was elected King in 1905.

He is a keen sportsman and in 1928 won an Olympic Gold Medal for yachting.

In 1957 he became king. He exercises no personal power and remains above party politics. He travels widely abroad and has visited nearly every district of Norway.

King Baudouin of the Belgians has reigned for 30 years. His progress to the throne has not been easy. The Nazis invaded Belgium when he was nine, his father became a prisoner-of-war and for two years Prince Baudouin was the captive of German soldiers. From 1941 to 1944 he returned to near normal but a further year of German captivity followed during which his health suffered. Then for five years the Belgian Royal Family lived in exile in Switzerland.

Soon after their return to Brussels, King Leopold abdicated. King Baudouin, being both diligent and conscientious, has earned the respect and love of his people. The King and Queen Fabiola have no children.

Hugo Vickers

Monarchy in the Middle East

Upheavals under the throne

The institution of inherited family rule has strong roots in the Middle East, although its fortunes have been somewhat mixed in the past few decades. A number of Emirs, Sultans and Kings were swept away in the wave of republican nationalism which swept the Arab world in the 1950s and 1960s, much of it inspired and organized by young military leaders, and all of it underpinned as much by resentment of colonialism as by dislike of monarchy as such.

King Farouk of Egypt was one of the first to go, in 1952. King Faisal of Iraq (previously King Faisal of Syria, under British protection, until the French objected) was murdered in 1958 by the Baathist regime which rules Iraq today. King Idris of Libya managed to stay on the throne until 1969, when he was deposed by the young Colonel Gaddafi.

Any present day gathering of Arab leaders will none-the-less include at least as many royal rulers as colonels and presidents. On the whole the royal families have survived the upheavals of modern Middle East history remarkably well, especially in and around the Gulf, where the majority of Arab states are still ruled by Emirs or Shaikhs. In Kuwait the al Sabah family has been in power since the eighteenth century.

But the most powerful monarchy in the region is undoubtedly that of Saudi Arabia, where the Saud family controls almost all aspects of Saudi public life. Although it can also trace its origins to the tribal kingdoms of the Arabian Peninsula, the Saud monarchy really dates from the proclamation of the Kingdom of Saudi Arabia in 1932 by Abdul Aziz Ibn Saud, who until then had been King of the Hijaz region.

His descendants still govern the Middle East's most important oil state, and have skilfully guided the

kingdom through the difficult waters of high finance and international strategy. The present ruler, King Khalid, came to the throne when his brother Faisal was shot by an unbalanced relative in 1975.

Assassination is not the only danger that Gulf rulers face. Some of them — with honourable exceptions such as Kuwait — have not kept pace with demands for popular representation, and have not introduced democratic institutions suited to the modern world. They also face considerable social strains.

King Khalid cannot be sure that his throne is secure, and events like the seizure of the Grand Mosque at Mecca in 1979 suggest that the Saudi grip is at least occasionally shaky.

Few of these problems face the greatest survivor among Arab royal rulers: King Hussein of Jordan. Like other monarchs in the area, King Hussein is no stranger to violence

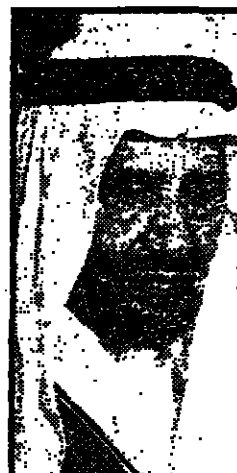
and tragedy. His grandfather, Abdullah, was shot in 1951 in Jerusalem, and his father, Talal, was declared mentally ill the following year.

Husain was then a boy of 17 at school in England, and few observers of the scene would have laid heavy odds on the survivability of the Hashemite monarchy at that point. But Hussein astonished the world by proving himself an astute and highly able ruler.

His one fundamental error was to embroil Jordan in the 1967 war with Israel, a mistake which cost him control of the West Bank.

The story of Jordan, Israel and the Palestinians is still being written, but when the present chapter is closed it is a fair bet that King Hussein will still be a popular and respected monarch.

Richard Owen



King Khalid of Saudi Arabia (left) and King Hussein of Jordan with his wife Lisa



The other kings Smaller cards in the pack

Many years ago King Farouk predicted that presently there would remain but five kings, the Kings of Spades, Hearts, Diamonds and Clubs, and the King of England. Surprisingly, perhaps, there are many kings spread all over the world and some are very colourful characters.

The last surviving emperor is Emperor Hirohito of Japan, who was born in 1901 and succeeded to the throne in 1926. His status has changed considerably during his life. In earlier times he was deemed a God. Now he accepts that he is a mere mortal. The emperor, who is a keen marine biologist, lives in an enormous palace in the centre of Tokyo, and made some important overseas tours in the early 1970s.

The coronation of King Birendra of Nepal in 1975 was performed at a time deemed propitious by soothsayers. He is the world's only Hindu monarch and many of his subjects regard him as the reincarnation of the Hindu god, Vishnu the Preserver.

King Bhumibol of Thailand has reigned since 1946. His varied career includes a few weeks as a Buddhist monk, leading a seven-man amateur orchestra, playing in a jazz orchestra which broadcast on Thai radio, and composing popular songs, one of which "Blue Night" was part of "Peep Show" on Broadway in 1957. Until 1932 the Thai monarchy was an absolute one.

The King of Tonga has control over the internal affairs of his country while Great Britain controls its external affairs. The present king, Taufa'ahau Tupou IV, is an enormous man and a worthy successor to his mother, Queen Salote. He was Tonga's prime minister from 1949 to 1965, before succeeding to the throne.

King Hassan II of Morocco was proclaimed king in 1951 and for some time also held the premiership of the country. Under a new constitution of 1971 much initiative is left in his hands.

King Sobhuza II of Swaziland became king in December 1980 when he was five months old. He has therefore been the longest reigning

monarch in the world for some years now.

Since 1968 Swaziland has been an independent kingdom within the Commonwealth. The king is an honorary KBE. The king's heir cannot be his eldest son but will be chosen after his death from among his younger sons. There are certain stipulations. The heir must have no full brothers, nor must he be left-handed. As King Sobhuza has 67 sons (as well as 19 daughters) there is a wide choice available.

King Moshoeshoe II of Lesotho has ruled for 21 years now with a brief period in exile in 1970. He is a splendid figure in tribal dress and reasonably modern spectacles. King Goodwill of Kwazulu, head of the royal house of Zululand was born in 1948 and installed as king by the South African government in 1972. One of his wives is a daughter of the King of Swaziland. He is of somewhat ferocious appearance, often bedecked in leopard skins (with heads), and a necklace of sharp teeth.

King Idris I of Libya was driven into exile in 1969 by a group of army officers. He had been king since 1951. And King Rehad Al Mahdi of the Tunisians was crowned in 1957 when he was ten but was also driven into exile some two months later. King Fuad II of Egypt is too young to recall his reign since he succeeded his father King Farouk at the age of six months and was deposed a year later, when Egypt became a republic.

Malaysia has a rather different system of kings. The Federation of Malaysia is made up of nine Malay states and there is a constitutional Yang di-Pertuan Agong, who is elected king for five years from among the chiefs of the states. Nobody who witnessed the coronation of the Shah of Iran in 1967 or the magnificent celebrations at Persepolis in 1971 would have thought that soon he would come to grief. He ruled over one of the most crucial periods of Iranian history in an attempt to turn the constitutional monarchy back to one of absolute rule. For 25 years he was successful but then he fell disastrously.

Another great fall was that of the Lion of Judah, Emperor Haile Selassie of Ethiopia, whose arrival would sometimes cause all the chiefs to lie flat on the ground before him. Haile Selassie was at one time a leading world statesman, who placed Ethiopia at the head of African unity. Eventually his autocratic rule proved too much for the armed forces and he was overthrown. The last year of his life was spent in mysterious captivity.

Both Iran and Ethiopia have crown princes. The Iranian crown prince is young enough for the tide to turn in his favour, but the crown prince of Ethiopia has been in poor health for some years now.

Another emperor appeared and set himself up briefly in the 1970s. Jean-Bedel Bokassa proclaimed himself Bokassa I, Emperor of the Central African Empire. He was crowned in Napoleonic splendour at Bangui in December 1977, but after a reign of appalling atrocity, was deposed in a coup in 1979.



Emperor Jean-Bedel Bokassa: a two-year reign

The pretenders Kings in exile

The royal pretenders are scattered across Europe but still take themselves seriously. Some have particularly ardent supporters.

The Portuguese royal family were driven into exile in 1910 and the following year Portugal was declared a republic. The present pretender is Dom Duarte Pio, born in 1945. He comes from a branch of the family which ceased reigning in 1834. Since 1938 the head of the Russian royal house has been Grand Duke Vladimir. His first three years were spent in conditions of terror and near starvation in Finland. Later he worked in a machine factory near Peterborough. Since 1945 he has lived in Madrid from where he keeps in close touch with White Russian compatriots.

The German empire collapsed at the end of World War One. The current head of the royal house of Prussia is Prince Louis Ferdinand, now aged 73. His career has included working for Henry Ford in Buenos Aires and civil aviation in Germany. Most of the last war was spent under observation at Cadix. When an attempt was made on Hitler's life, he fell under suspicion and was visited by the Gestapo, but he succeeded in getting the officers intoxicated and signed their report on him himself. Today he lives in a modern bungalow on the outskirts of Berlin.

The grandson of the last Emperor of Austria likes to be known as Dr Otto von Habsburg. Unlike many other claimants, he has no attempt to regain his throne. He has been deeply active in politics all his life, is a key figure in the movement for European unification, writes a weekly column on world affairs and is the author of 16 books. By a decision of the Austrian Supreme Court in 1966 he is now allowed to return to Austria, but he lives in Germany.

Crown Prince Alexander of Yugoslavia is the last King Peter's son. He was born in exile in London and on his father's death he decided not to adopt the style of King. Married to a descendant of the Royal House of Braganza, he works as an investment broker.

King Umberto of Italy only reigned for five weeks before being voted out of power and forced into exile. He has never officially abdicated and keeps in close contact with his former subjects from his home in Portugal.

King Constantine of the Hellenes is the most recently deposed king. He was forced to flee after the "Colonels" coup of 1967. He was deposed in 1973 and a plebiscite voted for a Republic in 1974. Latterly the King has lived in London.

The French throne has a claimant in the form of the Count of Paris. Today he maintains a secretariat in Paris, publishes a monthly bulletin and devotes a great deal of time and money to two foundations. There is also Prince Louis Napoleon, head of the Imperial House of Bonaparte, who is careful to avoid his name being drawn into party politics.

Lost thrones

This century the following European monarchies have ceased to reign:

- 1911 Portugal
- 1917 Russia
- 1918 Prussia, Bavaria, Saxony, Wurttemberg, and lesser German states such as Saxe-Coburg-Gotha, Baden and Hesse
- 1919 Austria
- 1922 Montenegro
- 1945 Yugoslavia
- 1946 Italy, Albania, Bulgaria
- 1947 Romania
- 1973 Greece

Spain, ousted in 1931, was restored after the death of Franco in 1975. In recent memory two great emperors have lost their thrones: Haile Selassie of Ethiopia in 1974, and the Shah of Iran in 1979. Bokassa I, crowned as Emperor of the Central African Empire in 1977, was deposed in 1979. Emperor Hirohito of Japan survives.

Fashion by Suzy Menkes

Snippets

A nice spread of patronage is shown by the fashion choices of the Royal Family and their circle.

The young team of the Emanuels are making not only Lady Diana's dress, but the outfit worn by the Duchess of Kent, and Lady Sarah Armstrong-Jones's bridesmaid's dress.

Princess Margaret, by contrast, has gone to old-established couturier Roger Brines, of South Molton Street, whose chic cut is in the tradition of Paris couture.

Her Majesty the Queen has selected Ian Thomas, the unassuming Belgrave designer who has increasingly taken over her wardrobe.

The Queen Mother has remained faithful to Norman Hartnell, where designer John Tullis has continued to capture her soft style.

Hardy Amies is dressing not only Princess Michael of Kent, but also the bride's stepmother, the Countess Spencer and Lady Teyn, the wife of Prince Charles's closest friend.

All the leading London houses, and especially Belville Sassoon, are busy making wedding outfits, including the clothes to be worn at the many dances and parties taking place around the big event.

It is a far cry from the days when one court dressmaker handled all the ladies and presumably sorted out the delicate matter of clashing colours and styles.

Wonder whether there is now a master-list at the Palace, or if the hot-lines buzz between designers to ensure that they do not create a royal faux-pas.

The royal feet, by the way, also offer a neat contrast of style. The Queen has gone to Edward Rayne, the court's cobbler in Bond Street. Lady Diana Spencer's bridal toes will twinkle in shoes designed by fashionable boot and bag maker, Clive Shilton of Covent Garden.

I enjoy clothes shown on "real" people, hips and all, rather than on a perpetual parade of elongated fashion models.

The autumn collection of Charles Jourdan came well through its trial by trace. The 12 ladies from the American Club in London who performed last week for fund-raising, were obviously picked for their sense of poise and style.

They showed off high-fashion garments like knickerbocker suits in lightweight tweed or the first leather separates that might seem difficult to wear. A good cut looks good on ladies' young and old.

Three weeks ago I wondered what the stores' could produce to follow on from the summer sales.

A British-designer promotion, with the accent on the pretty evening clothes that we do so well, was unveiled last week by Harvey Nichols.

Visitors to London, moved by the Royal romance, can invest in Roland Klein's featherlight taffeta evening dresses in sugared almond colours as well as a sharper acid drop green.

I am pleased that a store that has been making so much of its American designer clothes over the season, should have seized this moment to wear the flag.



Above left: Bonnie Langford in her costume for Andrew Lloyd Webber's *Cats* at the New London Theatre. The tights and leotard, by designer John Napier.

Above: Swashbuckling Bonnie in a romantic ruffled, shirt £16.99, braided waistcoat £19.99 and matching breeches £14.99. All by Orphans of the Storm, all from Top Shop, Oxford Circus and Made in Heaven, King's Road. Gold tassle belt £2.30, gold chains 49p each from Barbara Hulanicki, 254 Regent Street, 12 Holland Park Avenue, and Mini Rock, 88 King's Road. Jazz dance shoes by Balletique in white, black or red; cat face made to order, for Bonnie through Pineapple Dance Centre, Langley Street, Covent Garden, WC2.

Feline, frilly — and famous at 17

Bonnie Langford is sweet 17. She was too sweet for most people's tastes when she played the spoiled and supery Violet Elizabeth in *Just William* on television. But that was five years ago.

When I saw her undulate on to the stage in *Cats*, in her "second skin" of marabou feathers, I realized that the Shirley Temple cutie pie image had finally been laid to rest.

It had been a struggle, admitted Bonnie and her mother, Babette, simultaneously, as they arrived at the studio. Bonnie had worked as hard at changing her image as she has worked for the *Cats* show (six weeks of non-stop rehearsals, extra singing tuition and dancing work-outs every night).

"When I was about ten and in America doing *Gypsy*, I loved the frills. I really did wear them. But then when I appeared in *Just William* everybody began to expect the frilly dresses and it turned me right off them," explains Bonnie. "I went totally into trousers and I'm really only just starting to wear skirts again."

Bonnie Langford arrived at the studio wearing a curvy, sailcloth flying suit, an everyday version of the stunning cat suit that designer John Napier made for the show. She had brought along leotards, a body suit and tights, all hand painted with animal markings, tufted with bits of fake fur in the oddest places and with a rope of painted string for its swishing tail.

With her mass of ginger curls knotted into "ears" on the top of her head, her body arched into cat-like contortions and her fingers curled into claws, she was T. S. Eliot's Rumplepudding to the life.

Like most teenagers, Bonnie's current fashion enthusiasm is for the New Romantic look. Her favourite outfit is swashbuckling breeches and a waistcoat with a frilly pirate shirt inspired by Adam Ant.

"I do like fashionable things. People say that clothes shouldn't affect you, but they do," says Bonnie. "I buy nice leotards from the Dance Centre because when I feel good I work and dance better."

"I really love shopping for accessories, all the bits and pieces. Being so tiny does make things very difficult for me. I shop a lot in Harrods children's department. I was delighted when Mini Rock opened because they do growing-up clothes in children's sizes. I have bought things from Arte in Knightsbridge, but I have to have them altered to fit. My dream is to have a three-piece suit in pin stripes. But they really don't make those in my size."

Bonnie is five foot and one eighth of an inch tall (she firmly adds the eighth) and 5st 12oz. That is too small, says her mother, hopefully feeding her a ham salad, in between knitting baby clothes for a new grandchild.

Bonnie Langford comes from a showbiz family, with her mother and two sisters all having trod the boards. Her relationship with her mother is very close ("we usually go shopping for clothes together, because it's awful to go on your own," says Bonnie).

Mrs Langford, precise in pink, apologizes for coming along, but it was her birthday, and Bonnie wanted to take her out to tea at the re-vamped Lyons.

"I don't usually go with her any more," she says. "It's somehow better for a father than a mother."

As a mother she has the same fears as all those with teenage daughters. She fears for her being out alone at night, doesn't want her to go to disco, worries about her getting back to Twickenham after the show, although she knows that Bonnie likes to go off with the cast to Joe Allen's for her favourite fried chicken. They have tried to prevent her from letting fame go to her head or her purse.

Bonnie's earnings are invested in two separate accounts, with the interest from building society bonds paying her weekly pocket money for hairdresser and accessories.

"Bonnie's very careful with money," claims her mother. "She doesn't really like spending it. We do buy her major outfits, and when it comes to something special, I'm like any other mum. We tell her father that it only cost half, and he still thinks it's expensive."

Bonnie's transformation from mopet in frills to teenager in trousers, makes her look sexier, even though her petite figure is very slight. What about the modern girl's problem of coping with the consequences of provocative clothes? Bonnie seems disarmingly unaware as I ask her what she thinks of the transparent gilded T-shirt that

Mini Rock are selling to teenyboppers. "It's difficult for me to find clothes because I am just a nice young girl who wants clothes to look smart in," she claims with never a hint of irony.

Maybe Babette Langford is lucky because her daughter's career has somehow protected her from the testing, rebellious strains of the teenage years, when the first things most mothers and daughters row over is choice of clothes.

Unlike Noel Coward's famous song, the Langfords seem a positive advertisement for putting your daughter on the stage. "Most of my friends are in the theatre, but I'm too tired to go out to parties all the time," says Bonnie. "I love being in *Cats*. I miss it on Sunday. But I think of it like a stable nine to

five job. It is very glamorous, but being in show business is really quite a lonely life, you just do your bit and go home. That's why I throw myself into it. It would be awful to be in a show when you are waiting in the dressing room most of the time."

Bonnie Langford throws herself into *Cats* with the energy, enthusiasm and perpetual smile that have persuaded her critics that she must be a little madam.

I saw only the smallest hint of the precocious brat; it was when Bonnie told me that the car she was saving for had to be a Mini Metro because "After all, British Leyland and Bonnie Langford share the same initials."

She said it with a most endearing grin.

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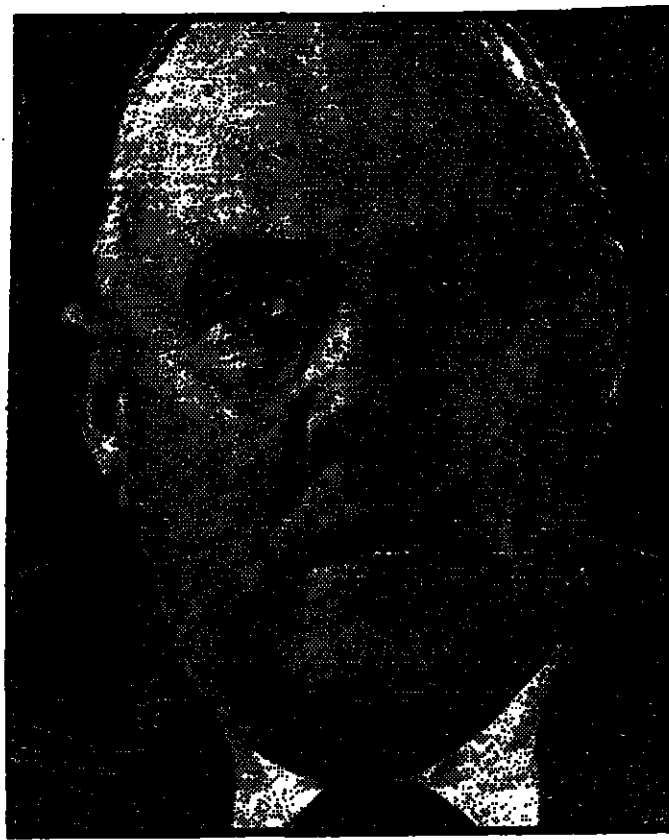
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Why my small country is now being rent asunder

by Robert Muldoon

Prime Minister of New Zealand



This is being written in the Waldorf Towers in New York City—a stopover on the way to the celebration of the wedding of a fine young man who one day will be our King. The Waldorf Towers is 50 years old this year. The Commonwealth, if you date it from the Statute of Westminster, is exactly the same age. In its time the Towers has housed kings and queens, statesmen, politicians, actors—and gangsters. There are obvious similarities with the Commonwealth.

Fifty years ago the Commonwealth was what we now refer to as "the old Commonwealth"—the white Commonwealth—and was called the Empire. Today the old Commonwealth is all but submerged in the flood of nations which have come to independence since the Second World War.

The colours cover the whole spectrum of the human race. Most of us have seen the building of today's Commonwealth as a great achievement—the spreading of the Westminster parliamentary tradition and the

values that have been established in Britain over many centuries into countries which have come, in many cases uneasily, into full nationhood. We lost South Africa, which never really totally accepted those values, and Pakistan; and if Pakistan is now murmuring about re-entry, then after all there have been other Commonwealth countries which have been imprisoned and even executed former prime ministers.

Life is faster today than it was 50 years ago and much faster than it was in past centuries when Britain was feeling its way towards standards of civilized conduct in government that today are taken for granted. Communication is instant, transport unfortunately only a little less instant.

If some of our Commonwealth colleagues are finding it difficult to do in 20 years what Britain did in perhaps that number of centuries, we should at least be patient. If the rule of law becomes an irksome impediment to be ignored in the interest of the achievement of a goal, then

we should chide, but preferably not slap. We can live with the politicians and the actors without too much difficulty, but the gangsters should have no place in our Commonwealth, and it was to the great credit of the association when at the Jubilee heads of government meeting in 1977 the first resolution accepted by African countries in criticism of former OAU Chairman, Idi Amin, was proposed and adopted.

At that meeting the Glenageary agreement on sporting contacts with South Africa was also adopted, an event which was given rather more attention at the time, but that agreement has fallen on evil times, and the rule of law has been brushed aside by the enthusiasm of some of our newer colleagues.

The agreement—which I made, and Britain made, and Australia made, and I believe Canada made and others as well—was that, abhorring apartheid, we would do our best to dissuade our sportsmen from contact with South Africa. With little or no opposition we explained to our colleagues that to take

from our sportsmen and sporting bodies the right to finally make their own decision on whom they would play against or with was to take from them a freedom which they had always had and which was just one of many freedoms which the citizen should enjoy in a civilized country.

One of the duties that

helped us through the Second World War said, "Freedom remains, these are the chains nothing can break". If more hopeful than accurate, it was nevertheless an aspiration that was at the heart of what we spent our blood and our treasure on, not just then but many times before in the evolution of the system of government which is at the

heart of the commonwealth association.

My country is being rent asunder by the consequences of the decision of my government to preserve this small freedom for our people. If the disruption and violence that is occurring is small by the standards of most countries in today's world, it is frightening by the standards of peaceful New Zealand, that far corner of the South Pacific. We not only do not arm our police but we have not so far had to protect our politicians. We have no wish to change.

When my colleagues in the new Commonwealth, however, in their enthusiasm to strike a blow at the hated South African enemy are prepared to gloss over a major condition of the agreement that they made four years ago, then we in New Zealand will stand firm on the matter of principle even though the cost may be high.

The Commonwealth Secretary General is a man of the new Commonwealth, and a clever one. When he said recently that I had stated in 1977 that there would be no further significant sporting contacts with South Africa he was wronging the question.

It is true that I made such a statement—indeed we unanimously wrote that expectation into the agreement. The correct question that he should have been answering

was: "Was the original draft agreement amended?" The answer was yes. "Why was it amended?" Because New Zealand and subsequently other countries made it clear that they could not subscribe to an agreement which required them to abrogate the freedoms of their sportsmen and prohibit sporting contacts.

What they agreed to was to discourage sporting contacts and that they did successfully in our case, up until the present rugby tour. Now unfortunately, and with the concurrence and I believe support of the Commonwealth Secretary-General, our colleagues are trying to read the Glenageary agreement in a manner which suits their wishes but which is not in accordance with either its letter or the spirit and understanding in which it was drafted.

This is where the question of the rule of law arises. If in our dealings with other Commonwealth countries we are going to bend both the spirit and understanding and the letter of agreements freely arrived at and faithfully carried out, then we are departing from the rule of law and entering the area where the law can be changed in respect of a particular event by a majority after the event has occurred.

In matters such as the one that we are discussing this is intolerable and must have the effect of undermining confidence in the Commonwealth institution itself. In New Zealand today, the anti-tour protest movement, led by experienced organizers of the extreme left but still containing many people who have come through true idealism, has in recent days alienated itself from the mainstream of public opinion which just a short time ago, on balance and for various reasons, opposed the rugby tour.

The issue with all its ramifications and subtleties will be decided in New Zealand at part of the election process later this year. In the Commonwealth, however, the situation is more serious and can have longer term effects. Fifty years from now the young man whose wedding we are celebrating may well still be alive and may well be our King. The grand old hotel in New York, the home of kings, queens, statesmen, politicians, actors—and gangsters—will probably be demolished. Will the Commonwealth be there? Basic issues which will lead to the answer to that question will certainly be influenced by these events of today. The treatment of these events at the heads of government meeting in Melbourne later this year may also have a significant effect on the answer to that question.

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The last trying days

By Alan Hamilton



The Royal Wedding

What should have been her last week of freedom before marriage and the encumbrance of being a fully-fledged Royal Personage has become for Lady Diana Spencer a painful and disorienting lesson in what it might be like to be a future Queen of 14 nations.

Even for Prince Charles, schooled from childhood to accept that his every move and utterance is the object of intense public curiosity, it has been a week of uncommon irritation as interest in the couple has reached a crescendo bordering on puerility.

It began last Wednesday night when the Prince, believing that his stag party with 20 close personal friends at White's Club in St James's had been kept a watertight secret, stepped from his car to find a reporter lying in wait. "Are you planning to get your hair done tonight?", the reporter asked him.

"I haven't got any hair to let down," the Prince replied with uncharacteristic sharpness, clearly furious that his plans had been discovered. Still, it was a witty reply in the circumstances, considering that he had just suffered a particularly severe haircut.

Despite his night of carousing, Charles was up and functioning at 10.30 the next morning, sitting with the Queen to receive loyal addresses at the Palace, followed by the recording of a television interview in which he put up a most creditable performance, sitting in the Palace post room and taking of the 65,000 letters that have poured into his office since the engagement was announced.

At four that afternoon he and Lady Diana were back in full public view at a Palace garden party for 3,500 disabled people and their helpers. Right on cue the rain fell in torrents; the Queen and other members of the Royal Family soon retired to shelter, but Charles and Diana bravely pressed on with the flesh-pressing round, oblivious to rain and in good humour, the undoubted star attractions of the afternoon.

One reason for her apparently relaxed state of mind may have been that, at garden parties, photographs and their telephoto lenses resembling naval guns from Jutland are banished to the Palace roof. She went happily off on her own to meet guests, without feeling any need for the constant support of her fiancé's immediate presence.

Both were still in good humour the following morning when they arrived separately at Tidworth Garrison in Hampshire to visit the Cheshire Regiment, of which the Prince is colonel-in-chief. While he went to the ranges to play with a machine gun, she was doing what she is supremely good at—talking to the wives and children. Lunch on the lawn of the sergeants' mess was a jolly occasion with much raucous barnackroom laughter, some of it from the colonel-in-chief.

The one public moment was when the couple were invited to mount a dais in front of the assembled regiment to receive the Cheshires' wedding gift, a silver statuette. Diana accepted it and Charles, a witty and self-possessed speechmaker, replied with some mildly coarse quips. "I've got to the stage where

I feel I'm disappearing up by my own funeral," he said of the wedding arrangements. "The assembled 1st Battalion roared heartily. Diana kept smiling and looked away."

As they walked through an appreciative press of Army wives and children, Diana showed a hint of her embarrassment in crowds. Smiling shyly, she kept her head bowed and cast furtive glances from side to side, which causes on-lookers to think that her eyeballs have disappeared. She remains better at talking than walking. It must have been a relief to her to climb with the Prince into his dark blue Aston Martin and roar off at Broadlands.

The privacy was short lived. Next morning it was the turn of the Navy to receive the couple, at HMS Mercury near Portsmouth, the naval communications school. Diana again did her stint of meeting wives and children, but on this whole it was a formal, public and even emotional occasion. At lunch they attended the annual reunion of survivors of HMS Kelly, the destroyer commanded by the Prince's uncle, Earl Mountbatten.

As is well known, Mountbatten and the Prince were particularly close; the manner of his going cannot make the honouring of his memory any easier.

It was that afternoon that Diana's nerve, presumably stretched elastic-tight after a heavy round of public engage-

ments, finally snapped. The setting itself was relaxed enough: a friendly polo match at a quiet country ground, a small, seemingly well-behaved crowd most of whom were genuinely interested in the match, and a press pack no bigger than usual.

But she was exposed and alone, perched on a little open grandstand surrounded by people she did not know, while the Prince busied himself with match preparations. Only the young Lady Romney was there to comfort her. One quick word to Lady Romney, and Diana and she left their seats without warning and went off in search of the Prince. As was prominently recorded on all the next day's front pages, Diana was flushed and crying.

The very informality of the event meant that crowd control was lax, and they crowded round her. For all her poise and charm, Diana is a girl of only 20, and for those brief minutes she was vulnerable. Charles, feeling properly protective, did not hide his anxiety, and demanded to know in no uncertain terms who was supposed to be organizing the event anyway.

It was a minor incident. Charles soon recovered enough composure to score the winning goal in the match, and even to give a brief television interview without any hint of rancour.

But it left its mark. The next day, Sunday, Diana was at Windsor Great Park for more polo, to watch, along with 20,000 spectators paying £4 per car, Charles help an England side to a 10-5 victory against Spain. It was plain, however, that Lady Diana had not fully recovered her nerve. As she walked to the royal enclosure surrounded by the constant whirl of motor-driven Nikon cameras she looked uncomfortable, distressed, uncertain. In the enclosure she hung back at the rear for much of the afternoon, half-hiding in a doorway when the public were allowed on to the pitch at half-time.

Any couple facing a wedding only a few days away are entitled to have a fit of the jitters. If they also happen to be the future King and Queen of 14 nations, the strain must be close to intolerable. If the only sign of tension is a brief flood of tears and a few sharp words from the bride, the personal qualities of both parties are to be admired.

For over seven days and nights now, Mr Michael Heseltine has been running amok all over Merseyside. At his temporary office in the Royal Liver Building, they said he was to be found at the community centre at Skelmersdale. At Skelmersdale, they said he had been there but had just left for Runcorn. At Runcorn I asked a policeman where Mr Heseltine was. "Who is he?" this constable gratefully replied. Some years on the political trail have taught me that one of the great strengths of British democracy is that there are always pockets of ignorance about even the most self-publicizing of our rulers.

One explained to the policeman that Mr Heseltine was the new Minister for places like Merseyside and that sort of thing. You could not miss him. He was about seven-foot tall, with what looked like a blond wig but was, so far as we knew, real hair. This man was believed to be in the area. "The public have been warned not to approach him, but to call the police instead," I said, adding a tentative: ha, ha, ha. The constable looked bleak. Never try to be funny with a policeman's sense of humour, I say. The policeman radioed headquarters: "I've got a fella 'ere who says he's a reporter and he's looking for Mr Heseltine, who's the Minister of Merseyside. He's about seven feet tall and he's got blond hair that looks like a wig. Someone at headquarters told the policeman to turn down his radio, presumably so that I could not hear what was being said. After a conversation, the constable explained: "No, we don't know where he is." It seemed clear that the forces of law and order knew of his whereabouts, but assumed, as authority always does, that the Minister was to be bothered by their subjects.

Parting from the constable, I explained that Mr Heseltine had been sent up after the riots. "I blame the parents," said the policeman. "Oh, don't think old Heseltine's parents are to blame for the

way he's turned out." I replied. The policeman stared. It was time to be off. "Perhaps Mr Heseltine doesn't want any publicity," said another constable later. Mr Heseltine not wanting any publicity! As soon as you argue that a man does not want any blood. None the less, it was time to retire to the hotel and bed. But there, the following morning, in the lobby, encased in 7ft of Savile Row suiting and 4ft of Jermyn Street shirting, awash in half a gallon of after-shave, was Mr Heseltine, of job-training centres. It was the roaring of a couple not, of course, entirely true that he was avoiding publicity, but there was some truth in it. Becoming an "emergency" or "crisis" spokesman is a perilous adventure for a politician. Everybody says it is a gimmick and, in any case, too little too late. Afterwards, when nothing much happens which would not have happened in any case, he gets blamed. Also, people are apt to laugh at him and ask questions like:

Tarzan in the corrugated jungle

Frank Johnson



Michael Heseltine with young unemployed in Liverpool

"Who needs a riot when you've got Michael Heseltine?" Look at Lord Hailsham on the North-east, Mr Denis Howell on the drought.

The assignment does have its good side. He gets in the papers and on television a lot. But the publicity is difficult to control. He gets pictured going importantly in and out of meetings, staring at slugs with a look of concern, and he gives interviews in which he can say statesmanlike things such as that there are no easy solutions, and that he is at present here to listen.

But it is difficult to control what is said at all these meetings if there are difficult people there.

Terence Moore, of Caryl Gardens—which are no gardens but an unrelenting block of flats—was waiting for him with a few inmates, being rather cynical. "Tarzan, they call him," Mr Moore said. "So they should tell him to plant some trees round this place, Terence's brother, Albert, said his wife had read out from that morning's *Mirror* when it said Mr Heseltine had spent £10,000 over a weekend on his £10,000 birthday party—£10,000 quid, Albert emphasized. It would have been better spent getting the fungus off these walls."

The suit containing the crisis minister turned up. Terence waylaid him. "Why wasn't Mr Heseltine meeting the people here in the houses they had to live in?" Mr Heseltine replied that he had gone into some houses yesterday. "He's got three houses himself," I whispered to Terence's brother, Albert, hoping to make the full and frank exchanges still more constructive. "You've got three houses yourself," said Albert. "I saw it in the papers." But Mr Heseltine was still engaged with Terence.

My job is to see as many things as possible. I think I've drawn a picture of the housing problem. . . .

ular houses. "I looked up carefully as I drove in," Mr Heseltine replied, adding reassuringly: "I've seen dreadful housing conditions. But now I was dealing with jobs. He couldn't deal with houses when he was dealing with jobs. Only in this way could he 'try to get a better impact for you'. Mr Heseltine made for his car. 'I'm awfully sorry,' he said."

The minister was being perfectly reasonable. And observing him on his rounds there is no doubt that he is moved and appalled by much of what he sees. We hurried off to an employment exchange, or job centre, in the Old Swan district.

Lured by the television cameras, a small crowd had gathered. A Mrs Durant of Alston Street, approached me to ask whether this Mr Heseltine was a Minister of Employment. If so, her husband had a scrapyard, but they were making him close it down because they wanted the land for trees. "They don't need trees round there," she said, "they just break them down to hit each other with." (Terence's complaint, if you remember, was the precise opposite. He wanted more trees. The public, you see, can't agree on these matters.) I urged her to raise the problem with Mr Heseltine who would be here in a moment.

"Do you think I should?" she said. Certainly, he would be very interested. The suit entered, suffused in television lighting, and was escorted forward by the manager. Fortunately, Mrs Durant managed to nip in. "Mr Heseltine," she said, "You're here about jobs. Well, my husband's got a scrapyard but they want it for trees and . . ."

Mr Heseltine thanked her and said he couldn't deal with that now and turned her in the direction of "one of my officials." A luckless official was right behind. Mrs Durant got going again. "I'll follow it up with the city," he could be heard saying. "I can't promise anything. Scrapyards are unpopular. . . ."

Buchanan's

The Scotch of a lifetime



Cambridge don bows out of the in-fighting

A disillusioned Frank Kermode, one of Britain's most distinguished literary critics, is to give up his prestigious chair at the University of Cambridge because he has "had enough" of the political in-fighting and doctrinal disputes that divide the faculty.

His decision comes in the aftermath of one of the most rancorous divisions to have riven the faculty since the acutely personalized clashes between P. R. Leavis and his opponents in the late 1950s.

Professor Kermode, who will retire five years early from the King Edward VII Chair of English Literature in September 1982, has played a central "if unwilling" role in the recent dispute over whether Dr Colin MacCabe, at that time an assistant lecturer in the faculty, should be granted a permanent (tenured) position.

The disagreement lay between those who felt that the study of English in the university should be more open to several, relatively new, critical approaches (like structuralism) and those who (like Dr Howard Erskine-Hill) felt that it was sufficiently open already and that it was time for a return to more traditional values.

Yesterday Professor Kermode told me that during the recent disagreement "things have happened in the faculty that have shocked me . . . that's putting it fairly mildly. "I would like to leave to write some books because in the atmosphere here it is awfully difficult to do, partly because one is constantly engaged in antagonistic situations. If you are not a combative person, and I am not, and if you don't enjoy that kind of fighting, and I don't, then the best thing to do is to pull out."

Professor Kermode, who assumed the most senior chair in the faculty

A squabble between nearly 200 bunnies girls and a small number of former colleagues, over Sunday newspaper allegations that the girls were dating clients at London's Playboy Club has disturbed the usual cheerful atmosphere in Park Lane.

The girls at the club are furious with the *Sunday People*, which is running a series about Arabian high rollers and the girls who took a fancy to their money. The present bunnies are threatening to "take action" in an angry bid to refuse claims that they are immoral.

Personal officer, Ms Erin Stratton, tells me from the "bunny-

seven years ago, has made several attempts to reform the English Tripos. These, he says, have been treated with "contempt." "I believe people want to keep things the way they are. Someone comes in from the outside and when changes are proposed they huddle together and resist them."

Aside from the innate conservatism of some members of the faculty and the doctrinal disputes, he says there is a great deal of keen personal animosity which often dictates what line people take on a particular issue.

Although he holds the most senior chair in the Cambridge faculty, Kermode feels he has been a failure. "I don't know what it would mean to be a success in the senior chair at Cambridge. I don't think anybody has ever made a success of it."

"You have no power to change anything. In many ways democratic procedures rule the faculty. I suppose the holder of the chair would

mother's office" (I kid you not) that an urgent meeting is now being sought with a certain Neil O'Connell, chairman of the Press Council. She says the present girls have been terribly misrepresented and lawyers have been called in to examine their case.

Some of the bunnies say cruel messages have been pushed through their letterboxes and that other parents abuse them when they collect their youngsters from school.

Bunnies Carmen and Maria tell me: "The hurt and damage that this gossip causes cannot be repaired. Apart from our own personal feelings we have parents, mortgages, husbands, children and boyfriends."

have to have tremendous personal authority." Professor Kermode plans a follow-up to his successful *Fontana Modesta* series with authors like Edmund Leach, on social anthropology, and Robert Hinde, on sociology. His new books will include a literary analysis of the gospels.

Late script

Regardless of its electoral prospects, no one can deny the Social Democratic Party's claim to be the most literary political grouping in the land. Following the debate on the Owen and Shirley Williams, it is now the turn of William Rodgers MP, the former Labour Minister of Transport, to submit a typescript for publication.

In the finest tradition of authors, Rodgers has delivered the manuscript late—too late for Secker & Warburg to have it ready in time for the scheduled publication in



October, to coincide with the party conferences. However, though the book is entitled *The Politics of Change*, Rodgers is insistent that it is not just another manifesto of what's wrong with Britain and What We Can Do To Put It Right, but "a personal testament" of current trends in British politics and society. It will now appear next spring.

David Owen's book, *Face the Future*, will be ready in a revised edition for the SDP's inaugural convention. The book has been updated as an OUP paperback in the light of this year's dramatic events. While it is described as a best-seller, Owen's book has had nothing like the phenomenal success of Shirley Williams's *Politics for People*, which Penguin are busy reprinting for the third time. It completely sold out its small hardcover edition and has run through around 55,000 copies in paperback, roughly as many books as the SDP has members.

With Rodgers' effort now at the publishers, that only leaves Roy Jenkins, among the four, without an SDP tract to his name. Ironical when you consider he is the only one to have fought a seat on an SDP ticket and the only established writer among them, with biographies of Asquith, Dilke and Arden under his belt.

Reining in

I am sure Lady Diana's trousseau is all sorted out at this last stage . . . but in case it isn't, I would draw your attention to an advert in a Yorkshire newspaper, sent me by a reader from Ripon: "Bridal bit and head-collar—£10. Perfect, if you're marrying into a horsey family. Yours faithfully, The Queen."

Gay lather

A surprising export success for a British product is reported from New York, where a shop in Christopher Street in Greenwich Village is experiencing a run on a Proctor & Gamble soap. When you hear that all the buyers are homosexual, you will quickly guess that the brand in question is: Fairy. What causes the biggest chuckle, apparently, is that the wrappers also sport the legend: "By Appointment to the Queen."

Behind bars

Following my story about Cyril Ray, who, you may remember, used to turn conventional practices upside down by weekend in London and spending his weeks in the country, I have heard from Mrs Jill Cross, who has gone one better. When she was bringing up her children she says she used to sit in the playpen herself, with her books and her teatime, and let the children have the run of the rest of the house. She claims to be the only housewife who has knitted her way through War and Peace.

Peter Watson



P.O. Box 7, 200 Gray's Inn Road, London WC1X 8EZ. Telephone: 01-837 1234

LABOUR'S EUROPEAN EXIT

The one major issue on which Labour's left marches in step with current public opinion is withdrawal from the European Community. Indeed, it would not be accurate to portray this, even in Labour party terms, as simply a left-wing policy. Labour has never as a party favoured membership of the EEC. It was against Britain joining in 1973; and, although a majority of the Labour Cabinet recommended that the electorate should vote to stay in the Community at the 1975 referendum, the party as a whole remained opposed. So, with the opinion polls having consistently shown a majority against Britain's continued membership at least since the time of direct elections to the European Parliament in the summer of 1979 — and in the case of most polls for rather longer than that — it was hardly surprising that the Labour conference at Blackpool last October should vote for a commitment that a future Labour government would take Britain out of the EEC. Now the party's National Executive Committee has published a statement which asks the conference both to confirm that decision and to approve proposals for implementing it.

It cannot reasonably be maintained that it is improper for a political party to represent what is currently majority opinion on a major issue. It is always dangerous to argue that a sensitive question of great importance should be taken out of politics when the country is seriously divided over it. But it is right to question whether the means proposed for taking such a decision are legitimate, in particular whether it would be fair constitutional practice to withdraw Britain from the Community without having another referendum; whether the suggested process of withdrawal would be appropriate conduct towards our partners; and whether the decision itself, no matter what public opinion may say for the moment, would in fact be in the national interest.

The decision to have a referendum at all in 1975 was widely criticised at the time. It was pointed out that the referendum was then an instrument unknown to the British constitution for the conduct of national politics — and anyway it was being used simply as a device to prevent the Labour party tearing itself apart over a delicate issue. These were telling arguments against having a referendum in the first place. But once that referendum had been held the position became different.

It can no longer be maintained that the referendum is a foreign instrument, especially as there have been other referendums in Britain in the meantime. More important, once the British people had decided in a referendum to stay in the Community, it would be improper to take the country out without their having another opportunity to pronounce specifically upon this issue. For Britain to be pulled out when the only recorded judgment of the British people was to remain a member would be a flagrant infringement of the spirit of fairness which underpins our constitution.

The Labour apostles of withdrawal have two answers to this: it will be necessary to come out for Labour's economic programme to be applied; and that this will be a central feature of Labour's manifesto at the next election, so the voters will have an opportunity to pronounce upon it then. But while Labour politicians may see the question of withdrawal as inseparable from the rest of the party's programme, the voters might have other ideas. They might well want to get rid of Mrs Thatcher because they had had enough of her economic policies but still on second thoughts prefer to stay in the EEC. At least they should have the chance to make separate decisions.

The arguments for withdrawal which the statement advances are unconvincing and frequently self-contradictory. It holds out the glittering prospect that Britain outside the Community could enjoy cheaper food, more dynamic industrial expansion and better relations with the Third World. It suggests that our present partners in the Community would be willing to negotiate favourable agreements with us, and that our relations with Nato would be unimpaired.

The reality would be very different. It is unlikely that food prices in the shops would drop noticeably. Many of Britain's former suppliers have found other markets. Some products are now little cheaper on the outside of the Community than inside. The British market is not large enough to stimulate any very dramatic price-cutting competition among suppliers. In any case prices in the shops often bear only a distant relationship to prices paid to the producer. Finally, as the document admits, there would have to be more protection for British farmers and the burden would fall on British taxpayers.

The advantages which Labour holds out to industry are even less convincing. Labour seems to think that

Britain could negotiate favourable access for British exports to Europe while protecting her own industries against imports. This is nonsense. Britain does about forty per cent of her trade inside the Community. West Germany is now her largest export market. Any protective barriers raised against West German imports would provoke equivalent protection against British exports to West Germany. Successful British exporters would suffer most because they are the ones against which the Germans would seek protection. Selective protectionism works both ways, and there is no reason to believe that an angry and resentful Community would go out of its way to make life easy for a Britain bent on withdrawal.

As for imports from the Third World, Britain is probably somewhat better protected inside the Community than she would be outside. Further protection would also be directly contradictory to the desire expressed by Labour to help the Third World, for there are few forms of help which most Third World countries need more than access for their industrial products (not just their food and raw materials, as the statement seems to think) into the markets of the developed world.

Finally there is the political dimension. Labour says that withdrawal "would have no bearing on our membership of Nato". Technically this is true. In practical terms it is not. Britain would be outside the political cooperation structures of the Ten, which would deprive her of any say in the foreign policy of the Community, which is intimately involved with that of Nato. Moreover immediately after mentioning Nato, the statement proposes active promotion of European nuclear disarmament. This would mean opposing a central element of Nato policy.

Altogether, if Labour has a chance to put its ideas on withdrawal into practice it will provoke a serious political dispute in Europe in which the measured, timetable for "preliminary discussions", "main negotiations" and "period of transition" could become largely irrelevant. It is difficult to imagine what incentive our Community partners would have for following such a timetable or, indeed, showing any inclination to help Britain out of largely self-induced troubles.

The union has resolved, after meeting police and ministers, that the tour should continue.

The police in New Zealand has powers under Police Offences Act of 1927 to prevent "riotous, offensive, threatening or disorderly" behaviour, which could be used to stop individual matches. The Public Safety Conservation Act of 1932 would allow the government to proclaim a state of emergency if public safety or order is imperilled and then ban all matches. Action under this act was threatened at the time of the proposed 1973 tour.

The whole affair provides a mixture of moralities. Behind the bullying tactics of the demonstrators lie some noble motives; the very real points of principle on which Mr Muldoon is standing provide comfort and support for some cruel racism. The ideal is now impossible: that the tour should be called off without a visible "surrender to anarchy" in the words of one New Zealand Member of Parliament. The best that can now be hoped is that the New Zealand government successfully vindicates the principle it upholds, without paying too high a price in damage to its ordered society.

A. Hinde reveal the policy he would advocate as an alternative to the nuclear deterrent, that of "building trust" with the USSR.

This is a pity, since it would have been interesting to learn how that might be brought about. Recent events in Afghanistan and Poland have confirmed that the Soviets trust no government that does not strictly adhere to political and social policies dictated by them. Neither of these countries has, one supposes, nuclear weapons which could be directed against the Soviet Union.

Does Professor Hinde expect a change in these attitudes? If so, would not an even greater military disparity between East and West simply defer that event? If not, would he be content to live in a society where it is dangerous to criticize policies one opposes?

Yours faithfully,
BERNARD DRIVER,
Woodcote Farm,
Upham,
Hampshire.
July 19.

Deterrence dangers

From Mr Bernard Driver
Sir, Not until the last line of his letter (July 18) does Professor R.

Belvoir coalfield

From Mr J. Jones
Sir, The Duke of Rutland (July 8) is in error with his simplistic summary of evidence given at the Belvoir inquiry. The Central Electricity Generating Board stated, without equivocation, that the Board wanted the development of the three mines proposed in north east Leicestershire to replace output from Leicestershire and Nottinghamshire collieries which are going to exhaust in the near future.

Taking other markets for coal into account the view expressed by the C.E.G.B. was that demand for coal was unlikely to fall and could well increase, even with an annual G.D.P. growth well below 2.7 per cent.

The fact is that without the development of efficient new capacity such as that proposed at the Belvoir inquiry our industry will not in the future be able to meet demand for coal to heat the Duke's castle and for much more essential purposes.

It is now four years since the

Putting the blame on floating rates

From Mr Malcolm Hill
Sir, The Times has advocated a return to fixed parities in the currency markets and it praised Lord Lever's two recent articles (July 15 and 16) as a "brilliant analysis of the current scene" (leading article, July 17). Lord Lever attributes the present upheavals in currency values to the degeneration of currency markets into casinos of greed and speculation. His central idea for stabilizing values is the creation of a New International Bank (this title) to preside over a fixed parity regime.

On his first point Lord Lever has repeated the error of Mr Wilson (as he then was) who attributed the currency upheavals of the late 1960s to the goings on of Switzerland, when in fact they were due to the fixed exchange policy of his own Government. The reason for the recent changes in values is due to governments hoisting up interest rates to attract foreign balances and so maintain high values for their currencies: it has nothing to do with free markets or currency speculators.

An international bank, as proposed, would increase the opportunities for nimble speculators, it would involve considerable expense and its operations would give rise to endless international quarrels.

Lord Lever makes an assumption that seems to come easily to politicians, that they can regulate currency markets better than the specialists in the City and other financial centres. During the late 1960s, when devaluation and balance of payments crises hovered continuously, the pretence was shown to be hollow. Yet since 1973 when the pound was allowed to float we have heard nothing of these things. Why return to them?

The only solution to the present currency problems is to leave the fixing of currency values and the rates of interest to the free markets and this solution should be adopted unilaterally by Britain now.

Yours faithfully,
MALCOLM HILL,
2A Pembroke Road, W8.

Help for Third World

From Mr A. J. Peckham
Sir, Granted Mr Heath's central premise in his memorandum published today (July 20), namely that it will pay the West to stimulate growth in the developing countries, how do we do so without the necessary investment of public funds or a mix of public and private enterprise? If the debate with the Third World concentrated more on acceptable "means", we might make a little more progress.

How, for example, do we find suitable ways of "marrying" (to use Mr Heath's phrase) surplus Opec capital to Western managerial expertise and technology to counter the Third World's neglect of agriculture? Pioneer work has already been done in this field by the highly successful Commonwealth Development Corporation and now by the International Fund for Agricultural Development. But how can their work be made more effective?

To revert to one of Mr Heath's points, there might be more point in increasing emergency food aid if there was more evidence of a determination to tackle longer term needs.

Yours faithfully,
A. J. PECKHAM,
Yardley Dene,
Tonbridge,
Kent.

Speech on defence

From Lord Kennet
Sir, In your parliamentary report (July 21) you quote me as saying that the SDP "took an all-round view on defence and did not take one side or the other. But it had written on Trident." Since this is just the kind of fatuous wishy-washy thing which our opponents like to claim the SDP says, may I ask you to print what I did in fact say?

The SDP is not a one-sided party on disarmament. I do not like the word "unilateralist"; it is needlessly pompous — unilateralist and multilateralist. There are one-siders and all-rounders in disarmament and we are all-rounders. . . . Mr Nott has had fond thoughts of the gold-plated Trident which was proposed to construct, but he has instead after all chosen the diamond-studded Trident system."

Yours etc.,
KENNET,
House of Lords.
July 21.

Pay rise limits

From Mr Charles Gallannaugh
Sir, In her comments on the recent 6 per cent pay rise for nurses (July 15) your correspondent refers to acceptance by 750,000 workers in the health service of pay rises within the Government's cash limits. It would perhaps be more correct to state that these various groups have been forced against their will to accept pay rises well below both the rate of inflation and the 9 per cent average wage rise in the private sector.

There is a world of difference between acceptance and coercion. Perhaps it will soon become apparent to those politicians whose minds are not filled with thoughts of water cannon and CS gas that such overtly unequal application of pay policy may have something to do with the disenchantment that some sections of the electorate clearly have with the present Government.

Yours faithfully,
CHARLES GALLANNAUGH,
5 Doleham Hill,
Guesling, East Sussex.

Freedom and the preventive seat-belt

From the President of the Royal College of Surgeons of England and others

Sir, As the House of Commons is about to vote again on a Bill for the compulsory use of seat belts in motor vehicles, we would like once more to plead, on behalf of surgeons, for the support of a measure about which we have especially strong feelings.

Surgeons see daily the appalling and tragic results of avoidable injuries to people of all ages and feel something approaching despair at the failure of our legislators to take simple steps to reduce this annual carnage; and steps whose efficacy has been proved in many other countries.

May we attempt to dispose of two misunderstandings, the persistence of which represents a special barrier to progress?

The first is that legislation on this issue is antagonistic to the British concept of liberty; and the second is that there is a justifiable fear of death or injury arising from the fact that a seat belt is being worn. The imposition of safety measures on road-users, of which there are already many accepted instances, cannot be regarded as an infringement of individual liberty on any but the most tortuous philosophical arguments. It is time for us to clear our minds of the pernicious belief that discipline is incompatible with liberty and to accept that the freedom to take foolhardy risks that affect others as well as oneself is a freedom that is not worth preserving. Attempts to encourage self discipline in this matter of wearing seat belts have been tried, but with singularly little success.

On the question of injury incurred in a very small number of cases, as a direct result of the wearing of seat belts, we can only ask what reason there can be in incurring a huge risk in order to avoid a very small one. The answer to this objection is to bring the influence to bear on the development of better and safer restraints, and improved and standardized release mechanisms. Indeed, considerable research has already gone into this important matter and continues actively.

It is the sincere hope, we know, of the great majority of the medical and nursing professions that the present Bill should receive overwhelming support from members of Parliament. Doctors in particular are often accused of being uninterested in preventive measures, a false accusation but a frequent one; this is one preventive measure

that we have been trying for many years to see introduced.

We are,
Yours, etc.,
ALAN G. PARKS,
President, Royal College of Surgeons of England,
JOHN GILLINGHAM,
President, Royal College of Surgeons of Edinburgh,
DOUGLAS H. CLARK,
President, Royal College of Physicians and Surgeons of Glasgow,
35-43 Lincoln's Inn Fields, WC2.
July 23.

From the Chief Constable of Warwickshire

Sir, Your columns of July 16 set the scene for the final stages of the Transport Bill which returns to the Commons with the significant addition of a new clause on seat belts. Senior police officers have considerable sympathy with those who in these sensitive times are concerned at the prospect of further intrusion on personal liberty, and Chief Constables have never been more aware that the Police Service cannot afford to alienate those who traditionally support the cause of law and order.

It may be reassuring to motorists to know that, most recent professional debates on this controversial subject, we concluded that in fact compulsion would be unlikely to lose us many friends for the following reasons: First, it is within our experience that a growing proportion of drivers are aware of their increasing chance of being involved in a fatal or serious accident, and would welcome a reduction of this risk.

Secondly, the law will to a great extent be self-enforcing as a large majority of the motoring public do not intentionally flout the law. Finally, experience has shown that in dealing with this type of offence, a friendly word of advice, or where appropriate a more formal cautionary letter, usually achieves the desired result, with prosecution very much the last resort. Our track record in this respect will bear critical examination and there is no reason to fear that seat belt offences will be dealt with any differently should the new clause become law.

Yours faithfully,
ROGER BIRCH,
Honorary Secretary, Traffic Committee,
Council of the Association of Chief Police Officers of England, Wales and Northern Ireland,
Police Headquarters,
PO Box 4,
Warwick.

Parental liability

From Miss Madeleine Colvin and Miss Rachel Hodgkin

Sir, It appears from recent letters (the Reverend M. R. Kemp, July 13, and Mrs D. M. Turton, July 16) that there is a misapprehension as to the present legal position of parents' responsibility for their children's crimes. The present law is sufficiently stringent to impose liability on parents where the court may wish to do so.

Where parents fail to satisfy the court that they "have not conducted to the commission of the offence by neglecting to exercise due care or control" the court must find the parent of a child of the age of 10 to 13 and may do so in the case of young persons over 14. Where a young person defaults in paying his own fine, parents may be ordered to pay and, in turn, can be imprisoned for defaulting. Additionally the court has power to order parents, with their consent, to enter into a recognisance to exercise proper control over their child.

The introduction of mandatory punishment measures against parents can only reinforce the myth that "bad parenting" is the sole cause of delinquency. Such simplistic proposals fail to recognize that there are many factors contributing to the level of juvenile crime which are beyond the control of parents. These include, for example, the external conditions which are widely recognized as provoking alienation, frustration and ultimately violence are unemployment, racial harassment and abuse of police powers. Although the suggestion by Ronald Butt, in his

article on July 16, that delinquency is furthered by certain forms of sex education in schools is facile, it must be remembered that many of the young people concerned in the recent disturbances are below compulsory school age and under their parents' influence as well as their parents'. The Society of Teachers Opposed to Physical Punishment refers to evidence showing corporal punishment in schools creates a proclivity to violence in pupils. Similarly young persons' irresponsible behaviour outside the school gate may be related to the school system. Surely greater respect for others would be better promoted if the traditional authoritarian model of schooling gave way to more just and democratic structures.

When young people are suspended from school without adequate rights of redress, leave school with no prospect of future employment, and are ineligible for supplementary benefit through the summer months after leaving school, leave institutional care ill-equipped and without even a home, is it not optimistic to expect a more responsible attitude from young people which is neither given them by example or opportunity?

It is hoped that the situation is not now being compounded by speedy adjudication which may forsake a fair judicial hearing for these young people and their parents.

Yours sincerely,
MADELEINE COLVIN,
RACHEL HODGKIN,
The Children's Legal Centre,
2 Maiden Road, NW5.
July 17.

Spanish leave

From Dr R. Sala

Sir, Speaking as a Spaniard and as a foreigner with many years residence in this country, I would like to congratulate you on your very pertinent editorial comment (July 23) on the question of the royal visit to Gibraltar.

The lack of diplomatic tact has been simply unbelievable. But the problem, of course, has very deep and intricate roots, and not only in Gibraltar or in Spain: one has only to read the short letter you publish in the same issue of the paper or to watch the course of action of the present Government,

which no rational mind can ever hope to understand.

However, as politicians blunder on, some of us foreigners, and no doubt some natives, will have to go on with our patient, well-meant, and sad job of trying to make people realize that "England" is not a word that means "everything", and with the hope that our present despondency will one day revert to our former admiration.

Yours faithfully,
R. SALA,
The Modern Languages Centre,
University of Bradford,
Bradford,
West Yorkshire.

Keeping our faculties

From Mr Arthur Freeman

Sir, It may seem obvious to those in universities, but it is not obvious to all of us outside universities why they should remain so large and retain so much power and receive so much money. There may be no doubt that it is necessary for science and technology to have higher education and academic research, and that it is nice for clever people not to have to earn their living for a long time; but there is much doubt whether the diminution or even the disappearance of most of the other faculties and departments would hurt anyone except those in them.

I wonder whether artistic or literary creation or appreciation are helped or hindered by the academic study of language and literature; whether our knowledge or control of the world or ourselves are helped or hindered by the academic study of philosophy, theology, sociology, psychology, economics, politics, law, history, and so on and so on. And since we all pay for it, we not only may but should wonder what we are paying for and whether it is really worth it.

Yours, etc.,
ARTHUR FREEMAN,
84B Whitechapel High Street,
E1.
July 22.

Communication in crisis

From the Master of the Guild of Air Pilots and Air Navigators

Sir, The Guild of Air Pilots and Air Navigators has long been concerned at the hazard to safety posed by the use of non-standard radio telephony phraseology and procedures. In 1973 the Guild circulated a paper to all interested parties advocating the adoption of "a precise and common language between ground and air craft stations".

It was suggested that a national R/T discipline week should be organized and the Guild called upon all appropriate bodies to carry out an analysis of the situation in respect of the use of R/T and to communicate their findings to the Director of Flight Safety, Civil Aviation Authority, in order that remedial action might be taken.

The collision at Tenerife between the KLM and Pan American Boeing 747s was basically a result of a breakdown in communication. We have now been faced with yet another disaster, also at Tenerife, where a prime cause could have been the use of non-standard procedures and phraseology.

Mr Biffen's statement in the House yesterday (report, July 21) confirms the suspicion that the controllers' instructions to Captain Whelan in June last year were a prime cause of the resulting accident. With so much at stake, surely it is not too much to demand that standard internationally approved R/T procedures are universally observed between air traffic controllers and aircraft commanders.

Yours faithfully,
C. G. KLIMCKE,
30 Eccleston Street, SW1.

Middle East conflict

From Mr Kurt Metzger

Sir, Richard Owen's article (July 22), though interesting, shows the limitations of current British thinking. May I put the following points to you:

1 A secular Palestinian state on the West Bank will probably be most unstable. In fact, it might well reduce the present territory occupied by Israel to the current state of the Arab municipalities. Arafat seeks a secular Palestine with the three and a half million Jews presumably remaining and joined by perhaps four million Arab. Both solutions are reasonably sensible.

It is the idea of partition of Palestine that is in current terms not sensible.

3 The difficulty is that warlike acts (which can be termed terrorism if one concentrates on the civilian lives lost) prevent the leaders from seeing that their aims are really essentially very simple. So does the largely theoretical issue of the "law of the return". The diaspora at present simply does not want to go to Israel.

4 For many years Arab leaders would not talk to the Jews — now Begin will not talk to Arafat. Begin is of course psychologically a typical Middle Eastern leader, and it is the "Arab Jews" (the Sephardim who are largely Arabic speaking) who support him. The Middle East as usual is the prey of human emotions contrary to the logic of human survival — as it has been for millennia.

Yours truly,
KURT METZGER,
10 Hurst Lodge,
Stanley Avenue,
Wembley,
Middlesex.
July 22.

Candidate in Croydon

From Miss C. M. Raeburn

Sir, I am an elector in Croydon North West, and I am sickened by the attitude of the local Liberal Party. I have nothing personal against Mr William Pitt, but the fact is that the Liberal vote has been reduced each time he has stood for election.

The most important thing in Croydon is to win the seat and maintain the momentum of Warrington. The obvious candidate to achieve this is Mrs Shirley Williams. The local Liberals, by refusing to recognize this, lead me to conclude that they are much more interested in politicking than in the reality of politics, which is power. It is surely better to win than to lose whilst maintaining constitutional purity.

Yours faithfully,
CHARLOTTE RAEBURN,
6 Founders Gardens,
Beulah Hill, SE19.
July 22.

From Mr Bernard Dembo

Sir, As an at present neutral observer, I would have thought that the real test of the Liberal and Social Democrat Alliance is whether they can get together to secure the election of a good, sound, ordinary candidate at an ordinary by-election.

Yours faithfully,
BERNARD DEMBO,
52 Laburnum Road,
Maidenhead,
Berkshire.
July 22.

From Mr Kevin Grant

Sir, Perhaps Mrs Williams will fight Fermanagh and South Tyrone.

Yours sincerely,
KEVIN R. GRANT,
27 St John's Road,
Sidcup,
Kent.
July 23.

THE ARTS

Television

Dial a dictator

Panorama
BBC 1

At the back of the Baghdad telephone directory is a list of presidential numbers one of which — 8888499 — promises direct access to Saddam Hussein himself on Fridays. Does it work? Apparently it does, or at least Richard Lindley found an intelligent and humorous woman for whom it had worked. Not only that, she was invited to discuss her problems with Saddam in person — and did that very day.

Who minded the shop while this admirable exercise in open government took place and how they made sure she was not Charlotte Corday, Mr Lindley did not say. But the Saddam was like a big brother to her. A Kurdish girl, persuaded out of the rebellious mountains and into the model textile factory on the plains thought of him rather as a father. We are all Iraqis now, she said.

Not quite true of course: many Kurds remain unreconciled, some kind of political opposition persists; the division of Sunni and Shia, the torture and hanging remain. The war with Iran is described by one outside of every aspect of the "stationary offensive" and even the courteous Lindley himself casts doubts on evidence proudly produced of a recent battle in which 4,000 Iraqis are said to have died.

What Panorama's absorbing report revealed above all is that the formidable Saddam is a master of little children and of television. Not only does he find time to answer the telephone on Fridays and to fight opponents at home and abroad, he visits local settlements regularly, speaks in the village dialect, promises it a school, sits at the back of the class and networks the lot. His image is ubiquitous, and it moves.

He blinks fast and hard when asked a tough question. Should political opponents actually be subject to torture and execution, Lindley persisted. Yes, said Saddam, they should, remarking that when Britain was at the same stage of political and economic development, we behaved identically — a justification of barbarity becoming quite common among the more sophisticated dictators, today.

It is true that at least two English kings believed that opposition and dissent were synonymous. One of them was Henry VIII, of course, but the other was Charles I.

Michael Ratcliffe

Kissing for peace

Miss Universe

ITV

The women's movement seems to have given up trying to save its sisters from the male exploitation of beauty contests. Miss Universe, for instance, held in deepest feminism New York, went without a protesting hitch — at least according to the edited highlights shown on Sunday. Eighty women queued up for the big prize: a phoney diamond tiara and \$100,000.

American television knows how to do away with the tedious bits. They rattled through them all in four minutes, then dressed them in swimsuits, took them on a boat down the Hudson and flipped through them again. There was no time for a male chauvinist leer, nor even the start of a wolf whistle.

The idea was to choose the most beautiful woman in the universe, but there was no accounting for taste in context. The equitable theory which had guided the choice of these indigenous beauties on the pre-war cigarette cards was plainly not considered. Soon the splendidly Turkish-looking Miss Turkey and the handsome Miss Transkei had been dismissed in favour of 12 semi-finalists chosen on grounds of international beauty (ie, Western, Bourgeois).

And each, apart from Miss Tahiti, was the sort of tall, well-fed, up-market usually blonde woman who models raincoats for Bloomingdale's in The New Yorker.

The contest turned on what the final five answered to the question: what would you personally wish for if you won? Miss Sweden said: "Make peace all over the world." Miss Belgium: "Bring peace all over the world." Miss Brazil wanted this to be the happiest year in her life. Miss Canada wanted "to meet all the people in the world and tell them how much I love them." And Miss Venezuela wanted "to achieve peace in the world."

And she won, blowing kisses and flapping her hand regally, while lines of white-suited men sang: "It's all over. You've done it. Take it. You've won it."

Nicholas Wapshott

Royal Wedding Day mat 4.30

COMEDY OF THE YEAR

EDUCATING RITA

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Exhibitions

Coming to terms with the Celtic connection

Ceri Richards/David Jones

Tate Gallery

Ceri Richards Drawings

Warwick Arts Trust

Ceri Richards Graphics

Curwen Gallery

Masterpieces of Theatre Design

Wilma Wayne Gallery

Robert Colquhoun

St Enoch Exhibition Centre, Glasgow

Details from, right, Ceri Richards' "Sunlight in a Room", far right, Robert Colquhoun's "Encounter" and David Jones' "The Garden Enclosed"



Since Matthew Arnold got into so much trouble with later scholars over his attempts to define the nature of the Celt, and W. B. Yeats (no Celt he) contributed almost as much silly fairy nonsense as popular delusions about the Celtic Twilight as that sturdy Scot, William Sharkey, alias wispy poetess Fiona MacLeod, I am certainly not going to venture far on such treacherous ground. In any case, while several minor exhibitions inevitably suggest some consideration of the Celtic strain in painting (should any such thing actually be shown to exist), more careful study tends to suggest that in the twentieth century Celticness is more a matter of elective affinities.

Some artists may choose to be Celtic, whether they are or not: Arnold Bax, after all, though he wrote some of the most convincing "Celtic" music, was not even Irish, let alone Celtic, while David Jones, impregnated as his writings are with Welsh myth and the Matter of Britain, was born and brought up in Kent of Anglo-Welsh parentage, spent virtually no time ever in Wales, and had to teach himself what Welsh he knew. So evidently one should beware of any sweeping generalisations about the Celtic quality of any artist, or for that matter of Ceri Richards or Robert Colquhoun — especially since it often seems that any local characteristics, Welsh or Scottish, that they may have are being pushed at the expense of whatever it is that allows them to communicate nationally or internationally.

This seems by common consent (though for no particular reason except that it is the tenth anniversary of his death) to be Ceri Richards' time in London. No fewer than four shows in four different places cover about every aspect of his career and would, if he did not have something substantial to offer, run the risk of overkill.

Set designs

Fortunately he withstands the test very well, and those strong enough can go in one day from the Tate Gallery's large-scale retrospective (until September 6) to the supplementary show of drawings round the corner at the Warwick Arts Trust in Warwick Square (until August 29), then on to the Curwen Gallery, Colville Place, for a generous selection of his graphics (until August 28) and finally to Wilma Wayne's new gallery at 17 Old Bond Street, where, until August 7, Charles Spencer is presenting *Masterpieces of Theatre Design*, which include the costume and set designs Ceri Richards made — one of only two theatrical works — for Leonor Berkeley's opera *Ruth* in 1956.

It seems a pity that he did not work more in the theatre —

because the painter's way of knowing seldom requires much precision in areas strictly intellectual. As the life-force rushes irresistibly up his canvases, bursting at the top into giant, luridly coloured flowers (Bryan Robertson tells us in his catalogue introduction to the Tate show that Richards was fascinated by the gaudy images on packages of "Bee's Seeds That Grow") or taking flying leaps over the fountains of Trafalgar Square, it is hard to resist the charm or the dynamism, or to refrain from defining it in terms of Welsh chapel eloquence and Welsh musical fervour.

The music, especially in Richards' case, is a whole room at the Tate is virtually filled with paintings inspired by Debussy's *La Cathédrale Engloutie*; there are many drawings and graphics both occasioned by music (one of his last works was a suite of screen-prints dedicated to Debussy) and of people making music. Influences from other visual artists are less readily detectable: Arp, I suppose, on the early relief, Picasso in some of his human figures, little details of diluted colour on a pale background, come

close to Frances Hodgins at the same period. But the overriding vision is so peculiar that it hardly crosses one's mind to make comparisons. Essentially Jones is sui generis, and with his artworks as with his writings, either you like them or you do not, and that is almost all there is to say.

Not quite, however. Anyone who is momentarily tempted to suppose that Jones is some sort of naive visionary warbling his native woodnotes wild should take a close look at the totally masterly, professional drawing of animals he did around 1930. Then look again at those strange, cobwebby drawings of the Forties, mingling myth and modern life which are a summary and summit of his work.

A fine nude — very necessary, for these are essentially works to be read — shows the wealth of precise observation, the iron control of apparently wayward line, which have gone into them before they were toned down and balanced to subjugate complicated parts to a complex whole. Even as late as 1959 he can, when he wants to, produce a nude as finely

observed, and in its own curious way erotic, as Gower. It is quite possible to find the personality, with its mythic and religious intensities and its strange quirks, deeply antipathetic. But the skill and the originality cannot be overlooked.

Up in Glasgow we enter, in every sense, a very different climate at the show of Robert Colquhoun at the St Enoch Exhibition Centre until August 9. In the memoirs of the Forties, which have become a staple of British publishing lately, Colquhoun and his friend, Robert MacBryde, inseparably known as "the two Roberts", tend to feature as ring-leaders and rabble-rousers at many a drunken evening around the Fitzroy, aggressive and destructive, demolishing the sense of the name of a Scotland that would never dream of returning to. This image, though no doubt true enough, does not sort too well with the somewhat more restrained and more managed to produce between whistles, or its seriousness and accomplishment.

Colquhoun was always supposed to be the more substantial of the two, with MacBryde more uneven and more inclined to be decorative, in the slightly pejorative sense of the term. (It would be interesting now to see this judgment tested with a proper showing of MacBryde.) Certainly Colquhoun's quality is borne out by the Scottish show.

He was 11 years younger than Ceri Richards, being born in 1914, but the undercurrent many of the same influences, particularly from Picasso, both were associated with the London Neo-Romantics of the Second World War, though Colquhoun's social and political views were far more radical than Ceri's.

The turning-point in Colquhoun's career seems to have been his meeting in 1944 with the poet, John MacGill, who was a fellow painter, not one seems to remember nowadays. This directed him away from finicky detail and writhing roots and branches toward a bolder, simpler, more monumental approach to the human figure, often in association with animals — cats, horses, goats.

There is something very intense and brooding about all of Colquhoun's work, he is never what you would call a comfortable painter, even in his lightest works, like the theatrical designs. But, though this is indicative of his Scottishness, the fact remains that of all his generation, he became the least parochial, the most evidently European of artists.

It may be that his reclamation as a Scot has a lot to do with the renewed attention he is receiving; but it is as a painter of European dimensions that he will survive.

John Russell Taylor

Some of the reviews appearing on this page had to be held over from yesterday's paper because of production difficulties.

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John Russell Taylor

Books

Unhappy family

The Mad Bad Line
By Brian Roberts

(Hamish Hamilton, £15)

Brian Roberts writes the biography of a family — and the easiest of biographical forms by a long way. Will the thing form an ultimate whole? Or will it thaw and dissolve into a group of essays? These are anxious questions, and Mr Roberts doesn't always provide a convincing answer.

At the centre of the book is the dotty, irrepressible, wholly detestable John Sholto Douglas, eighth Marquess of Queensbury (1844-1900). He invented the rules that turned pugilism into something more respectable than it had been in the flaming Tinseltown time, and he was himself pretty smart and painfully ready with his fists. (Pluck was perhaps the only virtue he didn't lack.) The other members of the family are not so good. The venomous hounding of the hubristic Oscar Wilde.

This episode, recounted by so many expert hands, is really what the book founders on. Mr Roberts is wholly justified in giving generous space to it — after all it's the one headline story he has — but he can't really add anything to what's been already so often said. The result is that in the book's mid-career we are required to plough through nearly 50 pages of *de ja vu*.

Lord Alfred Douglas, Queensbury's son and Oscar's Bosie, is, in his later years at any rate, just as unattractively really pleasant as his father. It's true that Frank Harris once committed himself to the opinion that a line from one of Bosie's sonnets was "as sweet as anything Dante" — but Frank Harris was always much given to hyperbole as to humbug.



Oscar Wilde: Douglas victim

Florence, the Marquess's youngest sister, enterprising, full of facts and energy, is the most interesting of the whole numerous family, and Mr Roberts makes a good, open, Sargent-like picture of her. But in his prize-winning efforts to tell an awfully diversified book to hold together he can sometimes stumble into over-writing. The fiery extremes of the Douglas temperament might have gleamed more wickedly with quieter treatment.

David Williams

Jazz

Angels and swingers

Capital Radio Jazz Festival

Knebworth Park

As Sarah Vaughan cooed "Dindi" last evening, under a pale-blue sky spectacularly striped with the colours of grey doves and old roses, we hardly felt as though we were on the run from jazz-hating skinheads,

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The abbreviated festival ran smoothly despite Saturday's indifferent weather, which awakened memories of Capital's first stab at sponsoring jazz, two years ago at Alexandra Palace. The rapid pacing of the bill, featured on two alternating stages, was a notable success.

Art Pepper blew like an angel, bearing down hard on his rhythm section, in which the sparkling pianist George Cables proved to be the alto saxophonist's most inspiring keyboard partner since the late Hampton

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Business News

THE TIMES July 28 1981

Marathon judgment starts in £1m case

Three judges began yesterday in delivering a judgment which is expected to take them an unprecedented three days in an action whose costs will exceed £1m.

The judges—Lord Justice Cumming-Bruce sitting in the Appeal Court with Lord Justice Templeman and Lord Justice Brightman—read the 500-page judgment in one hour.

The original High Court action following a company takeover took 72 days, spread over seven months, and costs were £100,000. The Appeal Court hearing lasted 60 days, raising the costs involved to the £1m mark.

The original action and the appeal together the larger and costlier than the Moonies libel action, which took 100 days and cost £750,000.

In the action, Alan Bartlett and John Laughton, executive of the British-based Newman Industries, are appealing against a High Court ruling that they used trickery and deceit to bring about the takeover of the pottery and investment company Thomas, Poole and Gladstone China, in which they also had an interest.

Very long rulings are sometimes delivered by a short-cut procedure in which judges give a summary, and then a full written judgment to the parties later.

But Lord Justice Cumming-Bruce, explained that the full judgment was being read in open court so that Mr Bartlett and Mr Laughton would not have to wait for written copies to be prepared and checked.

He said the two men's reputations were at stake and it would be better for them to know the court's decision as soon as possible.

Mr Bartlett was chairman of Newman Industries and Mr Laughton a director and former vice-chairman at the time of the takeover. Between them, they held a 34 per cent interest in Thomas, Poole & Gladstone China.

The High Court judge held that the men had conspired together to benefit TPG at Newman's expense. The action was brought by the Prudential Assurance Company, a shareholder, on behalf of small shareholders, it was said.

Lord Justice Cumming-Bruce said yesterday that the two men were alleged to have procured the takeover of Newman by publication of misleading circulars, supported by deceitful representations.

After controversy over the purchase by Newman of assets in Thomas, Poole & Gladstone China, the Prudential joined with other institutional investors in Newman, which makes ceramics and electric motors, in questioning the deal.

An independent report by Schroder-Wagg, the merchant bank, found that it was "not unreasonable" for Newman directors to recommend the purchase to shareholders.

But the report also contained reservations about the merits of the deal, and the Prudential, which had a 3 per cent stake in Newman, took legal action alleging it and other shareholders had been received about the value of the acquisitions.

Last year, Mr Justice Vinelott concluded in the High Court that the Newman board had been misled by "trickery and deceit".

NEDC chief calls for new pay initiative

By Edward Townsend

A plan for Britain's recovery, comprising higher productivity, employee participation, pay and industrial policy, was unveiled yesterday by Mr Geoffrey Chandler, director general of the National Economic Development Office.

Mr Chandler said of his package: "This is what industry desperately needs. This is what industry has never had. This is what industry will continue to lack unless at company, government, trade union and institutional level we have the collective will and courage to tackle these four central issues and to measure them against the need for competitiveness."

"And if we do not tackle them urgently there is a grave danger, if not a certainty, that we will not be ready for the upturn."

Mr Chandler said he was not necessarily advocating an incomes policy in place of free collective bargaining but he called for a national initiative on the subject of pay, within the framework of the NEDC.

Mr Chandler's programme for revival, detailed in a speech to Birmingham Chamber of Industry and Commerce, comes just a week before the next meeting of the full National Economic Development Council, the main item on the agenda will be a paper on the economy to be delivered by Sir Geoffrey Howe, the Chancellor of the Exchequer.

Mr Chandler said that none of the four key elements in his



Chandler: Consensus is needed package could be considered in isolation and that success required consensus.

This does not mean the fudging of policy, but the development of sufficient mutual understanding to allow policies to be implemented and sustained from government to government, even if they may not be universally agreed.

Productivity, he said, would determine future living standards, and there was no evidence that the long-term growth trend has improved. He said productivity could not be improved without reversing the significant deterioration in training and manufacturing investment.

Mr Chandler saw participation as a fundamental need and

said far greater experimentation with share ownership and other schemes was necessary. Britain's own limited effort in this field dramatically distinguished it from its more successful competitors, he said.

Managers should set time-tables for the development of effective participation, assisted by the Government.

Mr Chandler also called for national talks on a non-partisan basis to lay the foundations for realistic long-term pay bargaining. Collective bargaining would work, he said, only with less secrecy from companies, greater professionalism from trade unionists and full representation.

He added: "We need what is often called a 'cooling-off' period away from the heat of battle and the expedience of crisis."

"We need discussion of the economic framework in which individual bargains will eventually have to be made. In failing to sit down and talk objectively on these matters we emulate the Victorians who had huge about sex."

Mr Chandler emphasized that Britain's competitors had achieved a more consistent and constructive relationship between government and industry. The problem was that in the United Kingdom, industrial support was provided without any long-term context.

In other countries, according to Mr Chandler, positive measures are taken to promote innovation.

Sir Derek announces double profits



Presenting the NCB report, Sir Derek, centre, with Mr Norman Siddall, deputy chairman, left, and Mr David Brandrick

High interest leaves NCB with £57.8m deficit

By Rupert Morris

The National Coal Board increased its trading profit from £27.5m in 1979/80 to £69.5m in 1980/81, but was left with a net deficit of £57.8m chiefly the result of high interest charges. It broke even the year before.

Sir Derek Ezra, coal board chairman, welcomed the improvement in trading performance, which he saw as the most important feature of the board's financial results, but he deplored the inflexibility of the financial arrangements imposed by Government.

He said that if half the board's finance could have been provided by dividend capital, it would have been able to turn the £57.8m deficit into a £70m net profit.

Introducing the board's annual report, Sir Derek said the results represented "a remarkable achievement" at a time when recession had reduced demand and led to large amounts of coal being expensively stockpiled.

Total operating profit was up from £3.2m in 1979/80 to £23.3m in 1980/81, with output up from 123.3m tonnes to 126.6m tonnes. Productivity had increased by 4 per cent, and attendance was better than ever.

Sales were down from 125.1 million tonnes to 117.7 million tonnes, but Sir Derek said projected sales for 1981/82 were 120 million tonnes, with anticipated output of 120 million tonnes.

Export performance has shown the most dramatic improvement, with an adverse balance in 1980/81 of 4.5 million tonnes of coal exported and 7 million tonnes imported, confidently expected to be turned into a trading surplus of 5.5 million in 1981/82, with 9 million tonnes for export, only 3.5 million tonnes to be imported.

This was caused largely by the industrial troubles in Poland, the United States and Australia, but Sir Derek said he felt European consumers had come to realize the value of buying coal from more than one source, and would continue to import from Britain.

He said low-cost production coal was being sold abroad at a profit, but would not be drawn on the overall profit or loss on exported coal, much of which is known to be being sold at a loss in order both to keep stockpiles down and secure foreign markets for the future.

The value of exports in coal and coke, with mining technology and equipment sales, is expected to be about £500m in 1981/82, compared with £322m in 1980/81, making the industry one of Britain's biggest export earners.

High coal stocks—currently reduced at 22 million tonnes—continued high levels of investment, and high interest rates had pushed interest charges up from £185m to £256m.

Sir Derek said the coal board,

in common with other nationalized industries, had been having discussions with the Treasury about the possibility of some more flexible financial arrangement than the fixed interest loans borrowed from the Government.

He said private companies were able to spread risks by use of equity capital. The coal board also operated in areas of commercial risk, and should at least be able to borrow money for different periods to finance programmes.

Mr Brian Harrison, the board member for finance, said he hoped the Treasury consultations would produce some new system of loans within the next few months.

Sir Derek said the board had "high hopes" of being able to go ahead with the controversial plan for developing the Vale of Belvoir, in Leicestershire, which is understood to be approved by Mr Michael Heseltine, Secretary of State for the Environment.

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NCB'S OVERALL FINANCIAL RESULTS

	£m 1980-81	£m 1979-80
Turnover	4,186.5	3,740.4
Operating profit/(loss)	33.1	(23.0)
Mining activities	19.8	24.5
Non-mining activities	(2.4)	1.7
Associated companies and partnerships	50.5	3.2
Profit on realisation of fixed assets	19.0	24.4
Profit on trading	69.5	27.6
Interest	(268.2)	(184.7)
Taxation	(0.8)	(0.8)
Other items	0.7	(1.4)
(Loss) before deficit grant	(168.8)	(159.3)
Deficit grant	149.0	159.3
(Loss) after deficit grant	(37.8)	—
Extraordinary item	(20.0)	—
Profit/(loss) after grants and extraordinary item	(57.8)	—

* Including variation in the year on unrealised inter-activity profits.

Hambros calm over Reksten

By Our Financial Staff

Hambros Bank, yesterday maintained a relaxed stance toward the latest twist in its long relationship with Norway's Reksten shipping group.

Mr John Clay, the bank's deputy chairman, repeated the opinion in its latest report and accounts that allegations against the bank's relationship with Reksten, a leading Norwegian shipping magnate, would not oblige the bank to make any provision in respect of any assets said to form part of its estate.

He said the bank still was waiting for the full report on the position of the state-backed Norwegian Guarantee Institute for Ships and Drilling Rigs and its loans to the Reksten group it guaranteed.

A syndicate of 29 banks, led by Hambros, lent the Reksten Group \$161m (£86m) in the mid-1970s. The Norwegian Ministry of Trade and Shipping said yesterday that the loan would be "fully honoured".

However, the ministry added that the Norwegian Government had requested the Guarantee Institute to inform Hambros Bank of "reservations regarding repayment of compensation".

Payment to Hambros, whose share of the loan is 3 per cent or about \$5m, will be placed in a blocked account pending clarification, the ministry said.

The Guarantee Institute was established to aid groups like Reksten in the mid-1970s when the tanker market collapsed. At the time it was set up, it was not known that Reksten had substantial overseas assets.

Builders say worst is yet to come

By Baron Phillips

Britain's construction industry continues to slide into deep depression despite claims that the worst is over, the National Federation of Building Trades Employers concludes in its latest quarterly survey of more than 500 member firms.

Builders, the NFBE says, are deeply pessimistic about the sector's prospects for the remainder of this year.

Mr Kenneth Cooper, director-general of the federation, said yesterday: "Contrary to popular belief the industry is not bumping along on the bottom of the recession, but it is still severely in decline."

More than half the member firms reported a further drop in inquiries in the past three months, the seventh successive quarter such a decline has been recorded.

Unemployment in the industry reached 357,000 at the end of May, making the level of registered workers now without work more than 20 per cent, Mr Cooper said.

Although the latest figures for the skilled trades showed



Cooper: builders still in decline.

a marginal drop in unemployment from 113,000 to about 109,000 during April and May, Mr Cooper said this might be due to either a flurry of summer building or, more likely, skilled tradesmen moving out of the industry.

Higher inflation forecast

A slow decline in United States interest rates and an upturn in Britain's inflation rate are foreseen in a survey of business opinion just published by the American Express Bank in its latest *Amerex Bank Review Survey*.

Some 450 businessmen responded to the survey during the last month, 40 per cent in the United Kingdom and the rest in several other countries.

The respondents expect British consumer prices to rise at just over 12 per cent by the end of the year. But by mid-1982 the inflation rate is seen as rising to just over 13 per cent.

Less than 10 per cent believe inflation will be single figures next year. This compares with a Budget forecast by the Treasury of 8 per cent inflation by the second quarter of next year.

Gallaher hints at bid for Ofrex

By Margareta Pagano

Gallaher, the wholly owned United Kingdom subsidiary of the American Brands tobacco company, indicated yesterday that it may launch a counter-bid for Ofrex, the office equipment group.

Mr Stuart Cameron, chairman of Gallaher, said the company is seeking a meeting with the Ofrex board to discuss the possibility of a cash offer.

The move follows the offer last Friday from Dennison Manufacturing of Delaware, the American stationery and office equipment concern. Its bid valued Ofrex at £25.8m and ended weeks of bid speculation.

Dennison's offer immediately was accepted by Mr George Drexler, the Ofrex chairman and founder, and other directors, who gave an irrevocable pledge for a 10.5 per cent stake. Other shareholders followed suit and commitments for a

further 5 per cent were made. Later in the afternoon, Dennison secured another 23.5 per cent in the market at 130½p, 4p above the offer price, bringing its stake to 39.4 per cent.

Mr Drexler, who founded the group 45 years ago with personal capital of £500, described the approach as an exciting marriage for both concerns. He would retire under the offer but remain as non-executive chairman.

The group's shares, suspended at 122p, returned on Friday at 131p, and rose 5p to 140p yesterday on the news of Gallaher's interest.

Mr Andrew Andrews, Ofrex managing director, said last night that the board was considering whether to have talks with Gallaher.

Financial Editor, page 25

Stock markets

FT Index 528.5 up 8.3

FT 614.86 up 0.70

Sterling

\$ 1.8605 down 35 points

Index 92.3 up 0.3

Dollar

Index 111.4 down 0.1

DM 24.332 down 23 pts

Gold

\$ 403.50 down \$5.00

Money

3 mth sterling 14½-14¾

3 mth Euro \$ 181-183

6 mth Euro \$ 181-183

PRICE CHANGES

Rises

AAH 23p to 203p

Atlantic Res 15p to 305p

GE 10p to 265p

ICI 10p to 265p

Municipal 50p to 845p

Poly Peck 14p to 355p

RAF 10p to 80p

RZ 10p to 535p

Shell Trans 10p to 390p

Sun Alliance 16p to 916p

Triental 10p to 288p

Tunnel Hides 17p to 435p

Ultramar 10p to 515p

Falls

APV Hides 4p to 246p

Aero & Gen 2p to 375p

Arb-Latham 5p to 275p

Churchbury 30p to 675p

East Gold 4p to 95p

Esaburg 4p to 149p

Geover 10p to 130p

Harris Ouseway 4p to 128p

Norton A 4p to 192p

Ingam W 3p to 27p

Jardine Mason 6p to 206p

Law Ltd 4p to 111p

Nat of Aust 8p to 164p

Dealings halted

Trading in Du Pont and Conoco shares was suspended on Wall Street last night. Du Pont, one of three oil majors, said that by Friday it had about 35 million shares after its tender offer which with the option granted by Conoco would give it 50 per cent of the oil company's stock.

Seagrams of Canada said yesterday that by last Friday night about 17 million Conoco shares had been tendered in response to its offer to buy 44.35 million of the 87 million outstanding Conoco shares at \$92 a share.

The announcement places new pressure on Mobil and Du Pont, Seagram's rivals in the bidding.

Director for Rothschild

N. M. Rothschild, the merchant bank, has appointed Mr John Gillum, 58, as a director in its corporate finance department. He is well known in the City for his role in takeover battles and has been head of Samuel Montagu's corporate finance since 1971.

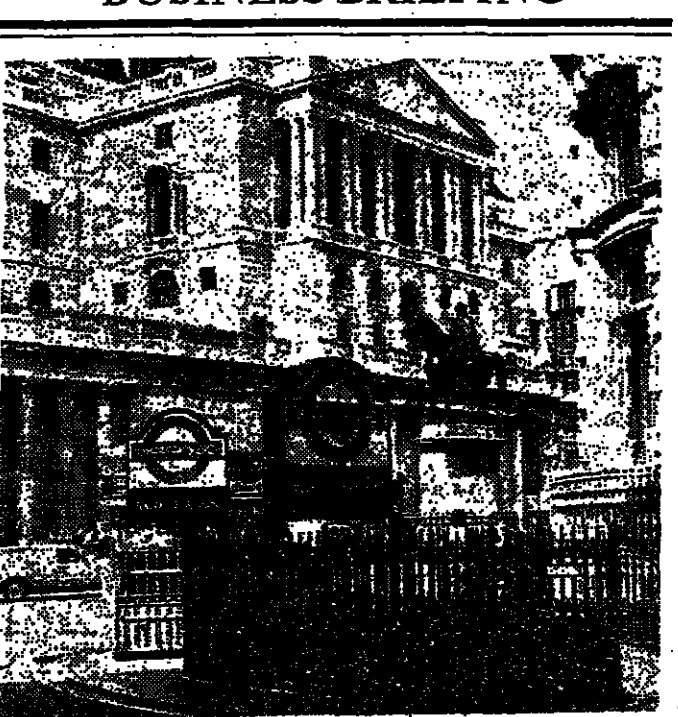
Business Diary, page 25

Japanese VCR exports rise

Japanese video cassette recorder exports in June were a record 603,000 up 34.3 per cent from 449,000 in May and 116.1 per cent from a year earlier.

Exports to the United Kingdom rose 3.4 times to 113,000 from a year ago to meet demand from people wanting to record the royal wedding, but this month exports to Britain are expected to be about 70,000.

BUSINESS BRIEFING



Bank of England profits

The Bank of England made an operating profit of £52.6m in the year to February 28 compared with £25.6m in the previous year.

The present profit is a record in the last 11 years and is mainly the result of high interest rates and the relatively large balances the clearing banks were obliged to keep at the Bank.

Pre-tax profits were £47.6m compared with £19.1m last year. Dividend payments to the Treasury this year amounted to £15m compared with £6.5m last time.

The report and accounts do not disclose the provisions the Bank has made against losses on the failed secondary banks of the 1970s and industrial companies that required its aid.

They do however say that by the end of its financial year there were only two active companies receiving support under the joint arrangements known as the "lifeline" established in 1973 with the clearing banks. These are believed to be First National Finance Corporation and United Dominions Trust.

'Agency for energy' call

The Commons select committee on energy said yesterday that one of the best ways of implementing energy conservation was to set up a separate agency whose sole task was to promote and monitor conservation.

It called the Government's present policy a "flabby nonentity" although Mr David Jones, the deputy secretary at the Department of Energy contested this, saying that the present energy pricing policy was one of the best ways of controlling consumption.

Noranda buys Wolff stake

Noranda, the Canadian mining group, has bought out the remaining 51 per cent stake in Rudolf Wolff, one of London's leading commodity brokers. It has held 49 per cent since 1971.

BICC cuts more jobs

BICC is to cut a further 213 jobs in the next 18 months at its Prescot factory on north Merseyside part of its wire mill division.

TODAY

Civil Aviation Authority annual report.

House of Commons Select Committee publishes its second report on Industrial Energy Pricing Policy.

Company Results: Acrow (finals); Grindlays Holdings (interims); National Westminster Bank (interims); Vantona (interims).



"Lucky she had the right initial!"

Technology News

£25m five-year scheme to aid fibre optics

The Government has allocated £25m to a new five-year programme to encourage research and development in fibre optic cabling and related technologies.

The programme, which will be financed through the Product and Process Development Scheme under the Science and Technology Act 1965 and section 3 of the Industry Act, will give a 25 per cent grant towards approved projects.

The details of the scheme were made public yesterday by Mr Kenneth Baker, Minister for Information Technology who confidently predicted that the Government's contribution would generate a further £100m from industry.

Unless underlying technologies are in place in the UK, opportunities in the expanding markets and uses of information technology, in its widest sense, will be severely restricted, he said.

Mr Baker led a Government delegation to Japan in April accompanied by Sir George Jefferson, the chairman of British Telecom. Mr Baker said that further discussions would take place in Japan in September on fibre optics when another delegation visited the Far East.

Cable & Wireless, the state-owned telecommunications company which is waiting for approval from the Government for its plans for a private telecommunications network in Britain, intends to lay about 1200 kilometres of optical fibre cable as the first phase of the network.

The hair thin strands of fibre are made from glass and each is capable of carrying as many as 2,000 telephone calls simultaneously. Consequently the fibre is attracting an increasing amount of attention from the cable manufacturers and operators of telecommunication networks.

British Telecom's Martlesham laboratories is at present in discussions with the German post office about a possible joint venture.

The government aid will be made available immediately through the Electronics Application Division of the Department of Industry in three principal areas.

The first category for aid is research and development into the fibre itself and other forms of optical electronics where light is used either as the transmission medium or as a means of measurement.

The second category will provide funds for capital expenditure on research plant and equipment.

The third category will pay for feasibility studies for the application of fibre optics.

According to Mr Baker the United Kingdom is fairly well



Prestel's wedding day gift to the press

About 100 pages of British Telecom's Prestel television information service, seen in use above, will be used by the Central Office of Information to give the world's press background details on royal wedding events this week.

Subjects will include historical background, service details, the procession route and

biographies of those taking part. On the wedding day itself, Prestel will give an instant description of the celebrated wedding dress.

Thousands of journalists are expected to cover the events in London and British Telecom is mounting its biggest outside broadcast for more than 750 million people.

advanced in this technology and the country now needs to exploit opportunities in developing products which can be sold in increasingly competitive world markets.

He said that it was hoped that the £25m would act as a catalyst which would build over a period of five years, the industrial capability able to meet the needs of equipment companies and users of optical fibre systems.

The Department of Industry is also in discussions with Lysander Estates, the consortium which has been granted planning permission to develop the 120 acre Surrey Docks site. The discussions are at an early stage but could result in at least part of the site being wired with fibre optic cable.

Satellite launch

Two American spacecraft named Dynamics Explorers A and B are expected to be launched together on Friday by

the United States National Aeronautics and Space Administration (Nasa).

The two satellites will be stacked together on a Delta rocket and launched from the Western Space Missile Centre in Longport, California.

Nasa said that the mission of the two spacecraft would be the study of the space around earth from the limits of the upper atmosphere to distances far out in the earth's magnetic field.

The two craft will be launched into orbit on the same plane but at different altitudes. Dynamics Explorer A will orbit at about 25,000km (15,500 miles) above the earth and will carry video camera equipment. Dynamics Explorer B will skim above the atmosphere from pole to pole at a lower orbit and will therefore be able to move much faster and make a number of important observations of the poles.

The Explorer B will also pass through the upper atmosphere and the ionosphere where the external disturbances are the most intense.

IMI chases place in US aerospace industry

By Our Midlands Industrial Correspondent

IMI, Europe's largest producer of titanium, is preparing to take on the American giants of the industry in their own home market.

As a first step in a sales drive aimed at the booming United States aerospace industry it has just opened an office in Denver, Colorado. Mr Lance Porter, aged 34, who was previously based in Dubai as liaison manager for the Gulf, has been appointed to run it.

Titanium sales in the United States are dominated by Timet and Reactive Metal Industries, the world's two biggest producers. But buoyed by a £7.5m expansion programme, which will increase its capacity by 60 per cent in a little more than a year's time, IMI is confident that it will win substantial business.

An IMI executive said yesterday: "The demand in the States is such that there are times when the United States producers cannot meet it. We intend to fill that gap."

"We are also confident that we can sell our latest titanium alloys to United States aerospace makers because they are capable of operation at higher temperatures than the alloys of our competitors. Rolls-Royce already use them."

The fall in sterling will make acquisition more expensive but it will improve the competitiveness of United Kingdom exports of titanium.

BANKER HELD OVER LOSSES

From Peter Norman

Brussels, July 27
Trinkaus und Burkhart, the Düsseldorf-based private bank in which the Midland Bank has a 67 per cent holding, could be facing heavy losses.

According to a bank spokesman, Herr Syben, one of the bank's department heads, is being held in jail on suspicion of having misappropriated some 4.5m marks (about £1m) of customers' funds.

The bank does not know how far it will have to pay for the alleged losses, which could go back over several years.

Trinkaus und Burkhart had a balance sheet total of 3,400m marks at the end of last year. Because of its private banking status, it published no profit figures.

Rover will build at two plants during transfer

By Clifford Webb, Midlands Industrial Correspondent

BF's new Rover saloon, which is due early next year, will be produced simultaneously at Solihull and Cowley for at least five months to avoid a repetition of the costly interruption that followed the TR's move from Speke to Canley, Coventry.

Ty7 production was at a standstill for nine months when Speke employees fought the plant's closure and refused to cooperate in moving machinery.

The 2,000 Rover workers who will lose their jobs when car production ceases at Solihull in April originally threatened to barricade the works gates to prevent equipment leaving for Cowley. Recently they accepted the move but only after a threat to withdraw liberal severance payments.

The situation is still delicate, however, and BL is reluctant to give details of preparatory work that has started. During the past fortnight when Solihull was closed for its summer holiday, some machinery was dismantled and taken by lorry to Cowley.

"Work of this sort is normally done when it will cause the least disruption and that is during holiday closings", a company spokesman said yesterday.

But Rover shop stewards still are smarting from the company's "no move, no money" threat. A senior steward said yesterday: "They have not taken a great deal yet, but the gaps they have left are already causing some angry comments."

A project team headed by a manufacturing director, has been set up at Cowley to oversee the move and to start training operatives. No new labour will be recruited because



Rover's new home: the BL plant at Cowley

the Rover will be assembled alongside the Princess on the track that was used for the Maxi, which ceased production last month. Maxi workers, who have been retained on short time, will be retrained to assemble the more complex Rover.

BL would like to send groups of them to work alongside their opposite numbers at Solihull, but managers acknowledge that this could lead to friction. Any spark in the present highly charged atmosphere could start a strike and endanger the launch of the new car.

Instead a pilot line probably will be installed at Cowley for training within the factory. Doubts about Cowley's ability to build a prestige car such as the Rover to acceptable standards are dismissed by executives.

They point out that the Honda-designed Triumph Acclaim is produced on an adjoining line and is attaining, and in some respects exceeding, the highest Japanese quality standards.

A Cowley executive said: "The Japanese had the same initial worries about quality but they are now delighted with our product; in fact they agree we have shown them a thing or two. Rover traditionalists should have no fears. Quality throughout BL has improved enormously."

"Now with our new paint plant and the fact that Rover bodies will only have to move from one part of the factory to another instead of making the long road journey from here to Solihull with the possibility of damage, they will get a better Rover than ever before."

Europe grants cheap loans for jobs in coal and steel regions

By Edward Townsend

Three low-interest loans totalling £5.75m were handed to British industry yesterday under the European Coal and Steel Community scheme for helping areas hit by coal and steel closures.

They bring the amount of loans granted by the community since 1975 to more than £500m of which about £30m has gone to Britain, mainly Wales, East Scotland, Corby, Warrington and Cumbria.

The largest of the new loans, worth £3m, went to Yates Circuit Foil, of Silloth, Cumbria, towards a new copper foil manufacturing facility. A further £1.5m went to Daniel Doncaster of Sheffield, towards expanding gas turbine compo-

nent manufacture at the company's Leeds and Humberdale factories.

As part of its continuing policy to provide so-called global loans, the community gave a further £1.25m facility to Finance for Industry, which in turn provides loans through the Industrial and Commercial Finance Corporation for smaller projects in community reconversion areas in Britain.

The loan programme's chief aim is to create alternative employment for redundant coal and steel workers. The Yates development is expected to create 150 jobs and that at Doncaster 120.

Applicants can claim a loan of up to 50 per cent of the cost of job-creating investments and in Britain they may also be eligible for help under the Industry Act. Since 1975, the European scheme has been used by companies creating about 50,000 jobs, of which half have been in Britain.

So far this year, Britain has been granted loans worth £62m out of a total of just under £80m. In past years, the chief beneficiaries have been West Germany and France, but the acceleration of steel plant closures has resulted in more successful applications from Britain.

The community is examining about 30 loan applications from British enterprises and is also hoping to include additional agents.

Interest subsidies are financed from the community operational budget and between 1975 and 1980, about 90m European Currency Units, equivalent to £50m, was earmarked. In addition, yesterday's three loans are receiving the guarantee against exchange rate fluctuations provided as part of Department of Industry selective assistance.

IN BRIEF

250 staff jobs to go in Welwyn

About 250 white-collar jobs will be lost in the Welwyn and Hatfield area in Hertfordshire when Smith and Nephew, the pharmaceutical concern, pulls out of Welwyn Garden City. The decision affects the company's marketing and sales staff employed at Bessemer Road, Welwyn. The company said that both depots would be moved to the Smith and Nephew factory in Hull. Only a handful of employees will remain to man a distribution depot.

The move, to bring technical and marketing staff closer together, will be phased over two years. Although 250 jobs are at stake, the company hopes some employees will accept their offer of relocation in Hull.

Italian group in takeover

Generale Implants, a leading Italian managing contractor group, has been rescued from financial difficulties through a takeover by Technipetrol, the engineering group which is controlled by French interests. A condition of the sale is that the group's former owners, three Italian banks, make good losses of about 10,000 lire (£4,500m) made this and last year by Implants.

UK airport profit

The East Midlands airport at Castle Donington, near Derby, which is owned by Derbyshire, Leicestershire and Nottinghamshire county councils and Nottingham city council, made a profit of £1.1m in its latest financial year after interest charges of half that amount were met.

14-Day shutdown

Manufacture Française de Pneumatiques Michelin, the industrial arm of the Michelin tyre group, has told some 6,000 workers at its five plants at Clermont-Ferrand, in central France, that the plants will close for 14 days between now and the end of this year.

Oil complex deal

Nippon Kokan said that, with Ishikawajima-Harima Heavy Industries, it has won orders worth 46,500m yen (about £435.5m) to supply equipment for a petrochemical complex being built at Al Jubayl, Saudi Arabia.

Test well failure

Alliance Minerals Australia NL reports that the Surat Basin exploration well, Newcastle Four, will be completed as a water well. The well failed to flow natural gas from after three separate tests.

Greek phone strike

Greece's telephone operators began a week long strike which is expected to disrupt domestic and international links.

Sino-Japanese trade totalled £2,764m, the second highest figure on record, in the first six months of 1981, the Japan External Trade Organization said yesterday.

International banking since 1865



For more than a century

The Hongkong and Shanghai Banking Corporation has been providing banking services under British management in the main financial and trading centres of the world.

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Manchester M60 2AP
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31-33 Waterloo Street
Birmingham B2 5TP
Tel: 021-235-1717

The Hongkong Bank

Group assets at December 1980 totalled more than £19,000 million.

BALANCE SHEET AS OF MARCH 31, 1981

ASSETS	(Lit)	LIABILITIES	(Lit)
Cash on hand and deposits with banks and institutions	811,387,654,565	Paid-up capital	500,000,000,000
Securities and bank acceptances	1,361,039,841,303	Reserves	332,994,333,074
Holdings	151,872,970,801	Reserves and funds	599,559,658,828
Holdings pursuant to Art. 6 of Law No. 184 of March 22, 1971	405,935,250,000	Government allocations under Art. 6 of Law No. 184 of March 22, 1971	405,935,250,000
Loans and financing	14,064,760,335,382	Real estate and furniture	10,806,881,359
Other receivables	832,144,347,274	depreciation funds	23,041,194,779
Real Estate and furniture	101,794,616,484	Taxes and duties fund	91,176,089,069
Miscellaneous items	113,885,275,422	Staff severance-pay and pension fund	11,056,053,982,486
Accrued income and prepaid expenses	486,835,530,366	Bank advances and debt	3,456,001,046,191
Unamortized bond discount	531,767,167,522	Sums to be released and disbursed	1,329,006,456,767
		Sundry debts	297,259,720,167
		Deferred income and accrued expenses	702,227,545,780
		Unamortized loan discount	42,933,930,204
		Net profit for the financial year	14,426,900,415
Commitments	18,861,422,989,119		
Securities and bills held and on deposit	828,692,382,160		
Special and fiduciary operations	9,562,335,210,785		
	3,204,311,714,401		
GRAND TOTAL	32,456,762,296,465	GRAND TOTAL	32,456,762,296,465

In conformity with the resolution approved by the General Meeting of Shareholders held on July 16, 1980, the firm of independent accountants Arthur Andersen and Co. s.n.c. has examined the Balance Sheet of the Institute as of March 31, 1981. The Auditors' Report confirms that the Shareholders' equity as of March 31, 1981, is fairly stated.

ISTITUTO MOBILIARE ITALIANO

BY THE FINANCIAL EDITOR

Gallaher joins the Ofrex hunt

Ever since the United States parent American Brands bought out the minority in 1975, Gallaher UK has been waiting for the right moment to prove that it had an independent existence other than simply as a United Kingdom subsidiary. At the same time it has been watching closely the diversification moves of other tobacco groups to learn by their mistakes, and for some time has been anxious to grow a fifth leg to its optics, distribution and engineering businesses.

As with other tobacco companies, Gallaher enjoys a handsome cash flow from its essentially mature tobacco operations which require relatively less to keep them in good order. But the timing of yesterday's move to seek talks with Ofrex about the chances of an agreed counter to last week's declared runner the United States Dennison Manufacturing comes as something of a surprise.

Ofrex as the first choice on the acquisition hunt is in itself no surprise since Gallaher has followed its fortunes for some six months, but that it entered the game after Dennison received such a welcome reception to its offer on Friday appears a fraction late. Dennison is now sitting with nearly 40 per cent of the equity — 16 per cent irrevocably accepted by the board — under its belt and Gallaher, if it comes forward, is going to have to pay over the odds to win. With an asset value of 90p a share Dennison's offer at 130p — valuing Ofrex at £25.8m — is generous enough providing an exit price ratio of over 16 given Ofrex's stop-go profits record and last year's halved pretax profits. This was partly blamed on its dependence on United Kingdom interests and some recovery is forecast this year but the record is patchy.



Mr Stuart Cameron, chairman of Gallaher

Dennison may regard its first offer as a sighting shot but industrial logic points to the American company with its large spread of office and domestic equipment product lines as the victor. Ofrex clearly felt the same way; as Mr George Dexter, the 74-year-old chairman and founder, has long nursed a bid to give Ofrex the backing of a strong organisation. For Dennison it allows a strong UK base for its distribution network and a springboard for expansion into European markets.

Although superficially, Ofrex does not fit so neatly with Gallaher, but by one of those twists of fate its parent American Brands, also owns Swingline, one of the largest United States stapling businesses, so giving its interest more direction. Gallaher, run on loose rein from across the Atlantic, earns about 75 per cent of profits from tobacco and clearly wants to expand outside its other non-tobacco concerns.

With the shares rising 9p to 140p yesterday the market indicated it was expecting the stakes to rise and terms of £40-150p from Gallaher are expected when it finally gets down to talking money.

Nottingham Manf Cutting costs

Nottingham Manufacturing's pretax increase of over one-third from £4.1m to £5.5m, springing largely from the sharp jump in trading profits, is somewhat misleading. Comparison is with a period when the textiles recession was rapidly deepening and Nottingham took a very gloomy line on stock values. The effect of this was to depress profits in the first half of 1980, but probably artificially boost the second half as the provisions proved over-cautious.

Even so, Nottingham's interim figures are impressive and the problem of comparison apart, the group has evidently benefited from the reductions in workforce and other efficiency measures of the past

year, as well as from its link with Marks & Spencer. M & S takes between two-fifths and a half of group sales, which have risen by 5.6 per cent to £76.5m in the first half of 1981. Given that clothing prices have scarcely risen in the past year, almost all this increase must be volume. Investment income on the cash-pile of £46.4m at the last count has edged up from £2.1m to £2.2m and by the year-end Nottingham may have added a further £5m or so to its hoard. Presumably Nottingham may use some of this for an acquisition at some stage although it appears that the kind of company Nottingham wants is hard to come by.

Meanwhile, profits this year could be up from £15m to around £17m to give a fully taxed and diluted ratio of about 14p to 150p while the one-tenth rise in the interim dividend assumes a yield of 4.2 per cent. Having outperformed the market so strongly over the past year, the shares are unlikely to go far in the near future. But Nottingham is one of the few sound shares in the textiles sector and would quickly benefit from any restocking by retailers while a further weakening of sterling against European currencies would help to ease price competition from imports and allow historically low margins to recover.

AAH

Firing on two cylinders

For an industrial holding company AAH has a good growth record which it has preserved by increasing 1981 pretax profits by 7 per cent to £9.6m. But the impact of an ever more hostile trading environment can be seen from the fact that only two of the company's diverse sectors — solid fuel and pharmaceuticals — raised their trading profits. All the rest saw their contributions to trading profits fall. Solid fuel has been the group's mainstay for a long time, and its importance was clearly demonstrated again last year. Its contribution to trading profit rose from £3.74m to £6.05m, representing over half the total, with the main thrust coming from three price increases which fed through directly into profit. Oil, in contrast, suffered from both lower prices and lower volume to slump from 23 per cent of trading profits to just 9 per cent.

Pharmaceutical supplies more than doubled trading profits to £1.89m, as AAH shrewdly avoided being sucked into the price-cutting war which has plagued other pharmaceutical distributors recently and concentrated on its service and stock range. This is a part of the group which has room for expansion and is well suited to additions by acquisition.

In other areas, AAH managed to keep the retreat orderly. The agricultural and haulage interests, although recording smaller contributions to trading profit, did not collapse as the market place would have suggested, and builders' supplies also held their ground. Engineering, as so often, was the black spot, trading profits falling from £871,000 to £526,000 as it was squeezed by tight margins.

Although overall conditions are likely to remain difficult for AAH this year, one helpful factor is tight control over interest charges. They rose last year from £1.98m to £2.15m, itself not much in the circumstances, but the final quarter showed a decline. The group is still making 30 per cent pretax on capital employed, and with earnings per share up by 2.5p to 29.7p, there was plenty of cover to raise the dividend by 11 per cent to 13.4p gross for the whole year. With a scrip issue as well the shares rose strongly to 203p where on a 7 per cent yield they take proper account of what will be a quiet year.

● There is no point whatsoever in the City going on about the virtues of self-regulation if its champions are not prepared to use a little muscle when the occasion calls for it. So it will be interesting to see whether or not any representatives from ICFC — one of the largest of the disinterested shareholders — turns up to ask awkward questions at next Thursday's meeting of Arbutnot Latham. After all, with the merchant bank's shares standing some 20 per cent lower than they were before the news of the Arbutnot Securities affair broke, ICFC's 10 per cent stake is worth some £400,000 less than it was a couple of weeks ago. It may be part of ICFC's policy never to interfere in the management of the companies in which it takes a stake, but that does not absolve its managers of responsibilities for their shareholders' money — particularly as one of the shareholders is the Bank of England.

The Royal Wedding has been a disappointment for fireworks makers. Robin Young reports

Not with a bang but a whimper

There is a marked reluctance in Britain to spend money up in the air. For the fireworks industry the royal wedding is proving something of a damp squib. Pains Fireworks, the firm that is mounting the wedding display in Hyde Park tonight — an ambitious reproduction of the royal fireworks for which Handel wrote his famous music — has narrowly escaped extinction, and reports "celebrating" sales markedly less than those for the Queen's silver jubilee in 1977.

Pains Fireworks was founded in 1954 by the late William Match group, now taken over by the American conglomerate, Allegheny Ludlum Industries. Just before this, the latest in a long line of mergers, John Decker, formerly managing director of Pains-Wesssex-Schermuly (still part of Wilkinsons Match) bought out the Pains' name and his factory at Dartford in Kent, to reestablish fireworks manufacture as an independent business.

Even within Pains-Wesssex-Schermuly, fireworks had only been one twentieth of the business and engaged only one twentieth of the workforce. The big trade is in supplying the military with smokescreens, flares and rockets, for their war games, not in adding sparkle to fireworks displays, which is now Pains Fireworks sole concern.

"As a small unit within a very large group we would have had difficulty in proving our contribution to group overheads", Bob Heath, now sales director of Pains, says.

"It was neither here nor there to the group whether the fireworks business lived or died. It was good public relations to have the original firework company from which the other business had grown, but we could never be a good profit earner in their terms."

Mr Decker says: "I had been involved with fireworks since 1949 and I just love them. But I think most businessmen, given the chance to run their own show totally independently, could make the same choice. Working for a minor part of big operation gets a little bit tedious."

The newly independent Pains Fireworks has yet to complete its first year of trading, but Mr Decker describes the results so far as "satisfactory". Nonetheless, the company is only

staging a half dozen displays to celebrate the royal wedding. At the jubilee there were more than twice as many and they were bigger.

Mr Heath says, too, that far fewer people are buying display packs of fireworks this year than they did in 1977. "There has been some interest, but only a fraction of the trade", he said. "We do packs from £50 to £500, but many of the people who enquire — small organisations and public houses are only thinking in terms of £5 or £10."

At the time of the jubilee the fireworks companies said spending on their product did not reach their expectations. But the money local authorities and local street parties burned in the celebration of 25 years of the Queen's reign looks lavish in comparison with this year's shrunken output.

There is, however, always the hope of some spin-off trade for the future. After the South Bank display in 1977, Prince Khalid of Dubai, who had seen it, told Pains he would have an identical display for his wedding at the end of the year.

Earlier this year Pains hit up Durban to celebrate the twentieth anniversary of the republic of South Africa. The company's next big engagement is to put now sold in boxes and blister packs. The cheapest rocket last year was the price of a good box of chocolates. To get much of a show families need to club together and spend £20 or £30.

The trade is still heavily seasonal. Only one-twentieth of Pains Fireworks are sold outside the three weeks' period ending November 5, the period



The cheapest rocket costs as much as a box of chocolates

the tendency is for people to buy larger and more expensive ones, so turnover has been maintained.

The days when a few pence worth of fireworks made something of a pocketful of fireworks mischief are long past. Like all hand-made goods, fireworks have become rapidly more expensive, and most are now sold in boxes and blister packs. The cheapest rocket last year was the price of a good box of chocolates. To get much of a show families need to club together and spend £20 or £30.

The trade is still heavily seasonal. Only one-twentieth of Pains Fireworks are sold outside the three weeks' period ending November 5, the period

when some 20,000 shops have them on sale.

British fireworks enjoy a high reputation abroad, where displays tend to be bigger and more frequent. Brocks have made something of a specialty of independence displays in Africa and other parts of the world; Standard export to many countries, including Canada.

Standard, the only firework manufacturing company whose trading results are available, did well last year. You could say the company's pre-tax profits went up like a rocket, from £533,799 to £799,631. The trading profit was £456,159 to £706,222.

Yet Derrick Worthington, managing director, shares the general gloom about wedding related sales. "The wedding has resulted in flurries of interest, but little practical business", he said. "Most of the sales have related to gatherings which might have happened anyway, but have been timed to coincide with the wedding. Given the day, in mid-week, and the date, when it is not likely to be dark before then, we could not expect very much."

Brick's says it has advertised quite heavily in connexion with the royal wedding. "But we have had little response." Significantly, perhaps, the company is taking its factory holiday in royal wedding week.

John Whitmore

Is the Government's monetary policy on course?

The Government is fighting a desperate battle to prevent the cost of bank overdrafts and building society mortgages from rising. But should the dollar continue to rise at the rate of 10 per cent a month, the Government may yet be forced to yield.

Were that to happen we would, at least on the face of it, have yet another example of the increasing willingness of the Government to put exchange rate considerations ahead of domestic monetary policy.

Sir Terence Beckett, director general of the Confederation of British Industry, pointed out last week that there can surely be no domestic justification for raising interest rates when the Bank of England is telling us that the underlying rate of monetary growth is probably within the Government's guidelines.

But are things really so simple? A number of questions spring to my mind. One is, whether or not it is good enough to say that the present level of interest rates is "correct" on the basis that monetary growth appears to have been satisfactory in the past, albeit the recent past. The answer to that is that the past tells us quite a lot, but not necessarily everything.

Bank lending to the private sector (£m, seasonally adjusted)

Third quarter 1980	+4034
Fourth quarter 1980	+1728
First quarter 1981	+2611
Second quarter 1981	+551

Following on from this one might ask whether what has been going on overseas has in any way affected or altered what the "correct" price of money should be in the United Kingdom.

Academics could doubtless fill an entire edition of *The Times* arguing out that particular issue. The fact that markets clearly feel that United Kingdom interest rates should be significantly higher than a month ago may prove little more than that the lure of the dollar has become overwhelming.

But it does suggest that higher interest rates are also needed to counter the potential increase in the domestic demand for money that may well arise from the pound's recent decline.

The third question is the most basic of all. Are we right to have confidence in the claims that the underlying money supply is on course and, by implication, that the general economic situation is firmly under control?

At first glance there should be no cause for undue alarm. The crude figures for sterling M3 have been satisfactory of late, money (including currency in circulation and residents' sterling bank deposits) — do not look all that good.

In the four months since the present target began to be applied, sterling M3 has grown by £3,100m or 4.6 per cent. That is equivalent to an annualised rate of growth of 14.4 per cent, well above the present target of an annualised rate of growth (through to next

April) of 6-10 per cent.

But the figures have undoubtedly been substantially swollen by the impact of the civil servants' dispute on the flow of tax payments to the Exchequer. Although the Chancellor will hope to recover the bulk of these "deferred" payments by the end of the financial year, the sums outstanding probably approach £5,000m.

To assess with any precision just how these tax "deferrals" have impacted on the money supply is far from easy, however. To appreciate the difficulty one has only to look at two extreme assumptions as to how tax bills are financed.

Were all tax bills paid by companies drawing down their bank deposits, then one could reasonably conclude that bank deposits, and therefore sterling M3, are some £5,000m higher at present than they would otherwise be.

But, if on the other hand, one knew that companies paid their tax bills by drawing down their overdrafts, then the impact of the dispute on the money supply would have been nil. Bank deposits and sterling M3 would have been in no way affected.

All that would have happened would have been that on the assets side of the banks' balance sheets loans to the public sector would have been paid off as the tax payments had been made while loans to the private sector would have increased commensurately.

As it is we know that different companies pay their taxes in different ways, generally according to the circumstances in which they find themselves when the tax payments fall due.

It is difficult to estimate by how much delayed payments have either boosted deposits, reduced bank borrowing, or inflated the overall money supply, there seems no reason to dispute the Bank's assertion that the underlying rate of growth is probably within official guidelines.

As far as it goes this is reasonably reassuring. But there are further complications and uncertainties. One particular complication is that if the overall monetary picture is somewhat clouded, then the underlying trend in particular components of that picture are even more difficult to establish with any precision.

This is particularly true of bank lending to the private sector. After the explosive growth in bank lending last summer, the rate of growth slowed appreciably towards the end of the year. While there were signs that the slowdown might have been bottoming out in the first quarter of this year, the unknown extent to which delayed tax payments have enabled companies to keep down their bank borrowing means that the low second quarter figure for bank lending to the sector tells us precious little.

The optimistic way of looking at the figures is to point to the sharp fall within the overall rate of growth in the manufacturing sector. One might then argue that the continuing buoyancy in lending to the personal sector partly reflects the banks' increasing share of the home loans market — a structural

change that the authorities might consider allowing for in pursuing their sterling M3 target.

The less comforting approach is to say that after making a reasonable allowance for the impact of the civil servants' industrial action, the underlying rate of growth in bank lending probably shows little or no fall in real terms — a rather disturbing situation at the bottom of the economic cycle particularly if the Government is right in looking for a slow economic recovery through the winter.

The second big complication concerns "external" flows of money between residents and non-residents. Now that exchange controls have gone United Kingdom residents are free to hold foreign exchange earnings in overseas currency indefinitely, or quite simply, to switch their sterling deposits into, say, dollar deposits.

There has been a steady build-up of these foreign currency holdings since exchange controls were abolished, accelerating sharply this year as sterling has declined.

The last couple of years have also seen a strong build-up in non-resident holdings of sterling deposits in the United Kingdom. The two developments are not unrelated mechanically. Indeed, at the moment it is particularly difficult to make any worthwhile assumptions about the relationship of external flows as we have no trade figures, an important piece of the jigsaw, since February.

The point, however, is that residents' foreign currency deposits and non-residents' sterling deposits have grown to

be very large items at about £9,500m and £12,000m respectively. That may not look all that large in relation to an outstanding sterling M3 figure of over £70,000m but when one remembers that sterling M3 is supposed to grow by no more than £4,000m-£5,750m this year, it is easy to see that relatively small movements on external flows may make a significant difference.

Where does all this leave us? In fact it leaves us in a rather clouded and uncertain situation with the prospect of loan demands picking up in the face of rising import costs and, perhaps, a slow economic recovery; with the certainty that loan demand will pick up sharply as tax flows return to normal; with the possibility of a big switch of resident foreign currency holdings back into sterling, though part of this, of course, go to meet outstanding tax payments.

At the same time we have relatively low real interest rates by international standards, at least at the short end of the market. One would moreover expect the government to try to keep them relatively low (unless sterling really does fall out of bed) in order to maintain the sterling depreciation we have seen to date and, if dollar rates do fall, to increase that depreciation somewhat against other European currencies.

Such a policy, albeit risk taking, may be thoroughly wise at least at the short end of the market. But that is not necessarily the same as saying that United Kingdom interest rates are already at a "correct" level from a purely monetarist standpoint.

Business Diary profile: Where life is cheapest

The international competition to avoid being dubbed the most expensive city in the world continues. The American, the British, the Swiss, the Japanese have produced figures to let the world know the cost of living in Tokyo. Now the Japanese have produced figures to let the world know the cost of living in Kuwait and Jidda, in Saudi Arabia.

The Japanese figures are, significantly, not their own, but taken with permission from the United States State Department. The Japanese National Tourist Organization claims that the department's per diem allowances more closely resemble the costs to visiting businessmen than the residential expenses for expatriates which were used by the Geneva consultancy, Business Diary national, to suggest that Tokyo is the dearest place in the world.

Without accepting or endorsing this thesis, Business Diary records that state department employees get 164 dollars a day compensation for having to support life in Kuwait or Jidda, 146 dollars for Buenos Aires, and 144 for Lagos or Kinshasa. Then Stockholm, London (129 dollars), Oslo, Dublin (119 dollars) and Rio de Janeiro all rank above Tokyo (115 dollars).

Exit Gillum
Merchant bankers N. M. Rothschild has captured another top-flight recruit for its reborn corporate finance department. Four months ago Rothschild was cock-a-hoop

Wallchart

OUR RAW MATERIAL STOCKS ARE VERY LOW JUST NOW.



that it had persuaded Michael Richardson of stockbrokers Cazenove to head up this side of the bank's life, joining him the present chief of Samuel Montagu's corporate finance operation. Gillum and Richardson have worked together on many deals in the past but unlike Richardson who left Cazenove with some regret, Gillum is on the rebound from Montagu.

A year ago Mr Staffan Gadd was drafted in from Scandinavian Bank to take over Montagu when Philip Shelbourne went to BMCC leaving several inside candidates for the job. Gadd meant to switch Montagu from dealing, Gillum's speciality, to international banking markets. Gillum told Business Diary yesterday that he was "too old to change his ways" (he is 53) and saw the Rothschild move as the best route to use the style he has developed in his 25 year career in the City.

Pressed to describe that style he called it "individualistic" although those with whom he

EITHER OUR PRODUCTION OUTPUT HAS INCREASED...

...OR OUR SUPPLIERS ARE GOING OUT OF BUSINESS FASTER THAN EVER...



has crossed swords might have another word for it. After the army and Cambridge and a short spell with a Lloyd's broker Gillum joined the old Robert Benson bank in 1956 rising to Charles Ball's number two when Benson moved to the Kleinwort Benson operation.

Ten years ago he joined Montagu where he built up a formidable corporate finance team. He remembers best his tussle over Metal Industries in 1967 when all hell broke loose over the tactics Thorne used to beat off a rival bid from Aberdare.

His other takeover battles include Trafalgar House for Trollope & Colls and more recently Allied Breweries and Lyons. As a corporate finance technician he will be remembered for coming up with the idea of the sterling/dollar convertible which he dreamt up for NCR.

Price of Coal
The financial health of the National Coal Board took a turn for the worse last year, as

yesterday's figures show, but then so too did the coal mining industry's record.

The NCB annual report shows a mixture of good and bad news, productivity and trading profit up, but it all ended in a 57 per cent surge in losses to interest charges and so on.

What the annual report also shows, however, is that the number of fatalities in the pits increased last year by eight to 39 — although for the first time in three years there were no multiple fatalities.

On top of this, the number of "serious reportable" accidents, i.e. those involving more than 24 hours in hospital, rose by 145 to 601, although some of this is due to a change in reporting procedures.

Most bad accidents involve haulage and transport underground, and the present level is "unacceptable", the NCB says. Each NCB area and pit has been asked to carry out additional safety programmes. So let's hope next year's figures are better.

The good news is that

pneumoconiosis is at its lowest ever level and "ceasing to be a major hazard".

And at 17 NCB refineries and other plants, among them the Nyrro chemical works — scene of the big blast some years ago — there was no fatality last year for the first time since 1972. At one plant, the Thomas Ness refinery in South Wales, there hasn't been an injury for four years.

Hammer offer

Dr Armand Hammer, the 83-year-old chairman of Occidental Petroleum, found time for his role as patron of the arts during a visit to Rome to sign an agreement with the state corporation ENI on setting up a \$1,050m joint venture, Enoxy, in the chemical and coal sectors.

Signor Alberto Grandi, ENI's chairman, said Dr Hammer had told him he would like to contribute to the restoration of Leonardo da Vinci's last supper in the church of Santa Maria delle Grazie in Milan. Painted at the end of the fifteenth century, the work started to deteriorate not long after and is now in bad shape.

Dr Hammer also offered to put on display in Florence Leonardo's Codex Atlanticus, which he recently bought, probably in October for two months.

He got on well with another octogenarian, 84-year-old President Sandro Pertini, who received him this morning.

Ross Davies

MONETARY AGGREGATES		
Aggregates	percentage change since February	over 12 months
M1	14.5	12.5
Sterling M3	14.4	19.2
M3	23.7	22.9
PSL 2	14.2	13.9

* annualized
M1—currency and sight deposits
Sterling M3—M1 plus time deposits
M3—sterling M3 plus UK residents' holding of foreign currency
PSL 2—broad measure of private sector liquidity

The Times

SPECIAL REPORTS

put situations and subjects of today into

REPORTS

FINANCIAL NEWS

Paget raises stake in Sangers to 17.3pc

By Our Financial Staff

Bermuda-based Paget Agencies, the offshore investment vehicle used by Mr. Tom Whyte who formerly ran the crashed Triumph Investment Trust, yesterday announced it owns 17.3 per cent of the pharmaceutical, optics and photographic equipment group Sangers.

Mr. Whyte declared last Wednesday that his Paget concern owned a 7.6 per cent stake and a further 7.2 per cent was controlled through associates who were not named. The total of 14.8 per cent conforms with the current Council for the Securities Industry rules on substantial purchases of shares. Those rules now allow Mr. Whyte to buy 5 per cent of the stock in any one week.

Paget said it had bought 200,000 shares last Friday and a further 50,000 shares yesterday morning, bringing its total holding to 1,650,000.

Mr. Whyte was travelling from New York to Bermuda yesterday and unavailable for comment, but he has already

Dip at Ellis & Everard but shares advance

By Our Financial Staff

Ellis & Everard, the industrial chemical distributor, has turned in lower full-year profits but still appears to be weathering the recession.

Pretax profits for the year to April 30 eased from £1.5m to £1.2m, lower than some estimates, while turnover rose from £28.3m to £29.6m.

The after-tax appearance looks much better at £1.1m against £728,000 previously, helped by the release of part of the deferred tax on capital allowances following a review of expected future capital spending.

The stock market reacted to the figures by marking the shares up to 131p.



Mr. Simon Everard, chairman of Ellis & Everard.

The chairman, Mr. Simon Everard, said the group was strong and liquid and was ready to invest funds when the climate was right.

The merchanting division, which contributes 85 per cent of profits and sales, made satisfactory progress.

The recently acquired fine chemicals division, which supplies the food and cosmetic industries, suffered a hiccup but the group is able to recoup £200,000 from the vendors under the profit warranties.

Ellis and Everard incurred a total of £70,000 in closure costs after pulling out of the swimming pool business.

Commenting on current trading, Mr. Everard said that sales for June were a record for the merchanting and manufacturing divisions, while the exports and fine chemicals side both improved their performance on last year.

Shareholders will collect a final dividend of 4p net, making a same-day total of 6.5p for the year.

The directors are also proposing a one-for-ten scrip issue.

Tomkins hopeful after profits fall

By Our Financial Staff

Profits of West Midlands unit and bolts manufacturer F. H. Tomkins took a mauling last year.

Pretax profits slumped from more than £2m to £788,000 on a £5m drop to £16m in turnover.

At the halfway stage profits were down from £829,000 to £208,000.

The final payout to shareholders is cut from £1.52p gross to 1.64p.

Nevertheless, the company feels that the massive programme of retrenchment which has taken place leaves it in a strengthened position.

There are extraordinary items of £1.8m covering provisions for reorganization of Woden Steel and Fasteners where heavy losses were being run up.

Provision is also included for the reorganization of F. H. Tomkins Buckle Company involving over 50 redundancies.

Record Potain

The agreement with the receiver, Mr. Brian Larking of Price Waterhouse, for the business and assets of Record Tower Cranes, a Richards and Wallington subsidiary, has been successfully completed.

Blue chips and oils in demand

Stock markets

Warming to the latest bullish economic news from the United States, the market enjoyed a trouble-free day with renewed support from the major institutions.

Most of their attention was focused on the usual favourites with blue chips and the oil sector the most popular targets.

Weekend comment took a pleasing view of ICI's interim figures due out on Thursday where estimates range from 7p to 9p, but the price responded with a 10p rally to 268p.

However, stock shortages continued to lead an exaggerated view to most price movements and this was reflected in the FT index which closed at its highest for the day 83 up at 528.5.

Glits warmed to the promise of lower interest rates and the latest money supply figures from the United States, and were soon streaking ahead amid active support, driving risen by up to 21p in places where there were signs of profit-taking after hours with the disappointing opening of dealing on Wall Street.

By the close, longs were showing gains of 11p while in shorts the improvements were limited to 5p.

The return to favour by leading institutions provided some impressive rises with Bescan up 7p at 210p, Glaxo 6p at 374p, Unilever 9p at 560p, Fisons 4p at 140p, BAT Industries 6p at 371p, Grand Metropolitan 2p at 206p and Bowater 2p at 256p.

Reed International with figures out today advanced 2p to 230p.

Offering a gross basis, to establish gross profit and earnings are net.

bid from Gallaher, the tobacco group following Dennison Manufacturing's Westbrick also hardened 1p to 81p as CH Beazer, 1p up at 117p, launched a full bid. Sangers advanced 3p to 85p as Mr. Tom Whyte bought a further 20,000 shares bringing his total stake with associates in the group to 17.3 per cent.

But Lestrat slipped 3p to 117p as the directors said that they considered the terms from Mills & Allen inadequate.

Toser Kemsley continued to draw on speculative support with the price climbing 3p to 77p amid heavy turnover. Sidlaw was also wanted rising 12p to 203p.

The usual crop of favourable weekend estimates produced a rise in FT. Pretax 7p to 90p, 6p to 160p in Rowntree Mackintosh, 8p to 282p in Hanson Trust and 5p to Dawson Int at 179p.

Improved interim profits boosted Nottingham Manufacturing 6p to 150p with Spring Knitting 5p higher at 76p after its preliminary announcement showing profits up over 80 per cent. Elsewhere, in textiles, Polly Peck continued

to reflect its return to profits with a 14p rise at 355p while Vantana, reporting today, added 4p at 129p.

A big seller of one million shares put London Trust into a flat spin last week with the shares tumbling 1p to 85p. However, after an offloading at 84p the price rallied yesterday to close 1p higher at 86p.

warning on future prospects left the price 2p lower at 373p. In the meantime, AAE Group responded warmly to the free share handout racing ahead 23p to 203p with Ellis & Everard also 1p ahead at 131p.

Builders were a buoyant sector despite the latest figures showing a further decline in the construction industry. Costain closed 6p stronger at 212p while Tummel Holdings 12p, which recently saved off an unwanted bid approach, was 17p better at 435p. TW Ward which launched the Unwashed bid also im-

proved 9p to 125p.

Electricals enjoyed another firm day with Thorn EMI up 6p at 432p, Racal 7p at 425p, Plessey 3p at 348p and GEC 10p at 740p.

Strong institutional demand resulted in solid support for oils where Burmah stood out with 9p rise at 136p. The shares have been left out in the cold following its recent High Court action between a shareholder splinter group and the Bank of England over the group's BP stake, and it is now felt due for a rerating.

BP also rallied 8p to 320p along with Shell 10p to 390p Ultramar at 515p and Tricentral at 288p.

Equity turnover on July 24, was £101.27m (12,063 bargains). Active stocks yesterday, according to the Exchange Telegraph, were BP, Oxfen, Tricentral, Mersey Docks and Racal.

Traded Options: Total contracts amounted to only 1,396 contract of which BP was the most active stock with 382 calls and 85 puts.

Traditional options saw calls in Bula Resources on 8p, Woodside Pet on 9p and ICI on 21p.

Elsewhere in Business News dividends are 1.428. Profits are shown pretax

and earnings are net.

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Fruehauf rejects five offers

Fruehauf Corp, the American trailer and motor vehicle group, has politely rejected overtures from three major US companies and two other firms that sought to acquire it, Mr. Robert D. Rowan, chairman, said yesterday.

Fruehauf expects sharp increases in earnings for the balance of the year and feels it is in its best interest to remain independent, Mr. Rowan said. Capital expenditures and re-

International

search and development spending could be slowed if Fruehauf, which had 1980 sales of \$2,080m (£1,095m) were part of a larger enterprise.

Mr. Rowan said third-quarter earnings would rise sharply from last year's 19 cents a share, and would exceed the 62 cents a share reported in the 1981 second quarter.

Schroders purchase

Schroders, the merchant bank, has increased its stake in Singapore International Merchant Bankers Ltd (SIMBL) by acquiring the shares owned by Commercial Bank of India, Bank of China and Trust Co. of China. The acquisition, for an undisclosed amount, brings Schroders' share in SIMBL to 49 per cent. The Overseas-Chinese Banking Corp is the other major shareholder.

Texas Instruments

Texas Instruments reports steep declines in earnings and net income for the second quarter of 1981, partly because of a 3 per cent cutback in the workforce and the abandonment of several growth opportunities. Net income for the quarter slumped by 81 per cent to \$10.5m (\$5.6m) as earnings per share common share dropped to \$1.91 from \$4.60.

German Shell loss

Royal Dutch/Shell Group's wholly owned subsidiary, Deutsche Shell, showed an unspecified overall net loss in the second quarter after a sharp first-quarter decline in earnings. The second-quarter shortfall arose mainly from average losses of 4.9 cents per share on oil business and the market's weakness against the dollar.

Vebe bid

The West German Federal Cartel Office would view a formal application by Vebe to buy a stake in Metallgesellschaft extremely critically, a Cartel Office spokesman said yesterday. Vebe and several other groups have held informal talks with the Cartel Office about their interest in acquiring a holding in Metallgesellschaft from Dresdner Bank, which owns about a third of the company's Dm 240m capital.

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GREENE KING

Brewers—Bury St. Edmunds

ANOTHER ADVANCE

	1981	1980
53 weeks to 3 May	£'000	£'000
Turnover	55,751	48,594
Profit before tax	6,561	5,302
Taxation	1,572	2,082
Profit after tax	4,989	3,220
Dividends	1,299	1,131

In his statement, the Chairman, Mr. John Bridge, says—

● Trading profits improved in the second half of the year and these results are better than expected when the Interim Report was made.

● Our cash conditioned beers, which are of particularly good value, continue to sell well and now account for 45 per cent of our output.

● We have made sensible economies throughout the Group and our results have been under close scrutiny. This has required continuous effort and co-operation among all employed and once again I wish to express my thanks to them for their contribution.

GREAT PORTLAND ESTATES

Basil Samuel, F.R.I.C.S., Chairman and Joint Managing Director, reports on the year ended 31st March, 1981—

* RENTS RECEIVABLE £12,451,000 —UP 23% FROM £10,087,000.

* NET REVENUE PRE-TAX £10,199,000 —UP 45% FROM £7,019,000.

* EARNINGS PER SHARE 6.4p —UP 28% FROM 5.0p.

* SCRIP ISSUE OF 1 FOR 5 PROPOSED.

Copies of the Report and Accounts may be obtained from the Secretary at

Knighton House,
56 Mortimer Street,
London W1N 8BD.
Telephone: 01-580 3040.

The Nottingham Manufacturing Company, Limited

INTERIM REPORT FOR THE SIX MONTHS ENDED 30TH JUNE 1981

Group results (unaudited) for the six months ended 30th June 1981 are as follows—

	6 months 1981	6 months 1980	Year 1980
Sales	£76,820,000	£72,770,000	£173,855,000
Profit on Trading	£3,515,000	£2,255,000	£11,516,000
Investment Income	2,240,000	2,114,000	4,126,000
	5,755,000	4,369,000	15,642,000
Less: Interest on 6½% Convertible Unsecured Loan Stock 1983/98	305,000	314,000	628,000
Profit before Taxation	£5,450,000	£4,055,000	£15,014,000
Profit after Taxation	£3,815,000	£2,839,000	£11,584,000

Note: Taxation has been charged in respect of the first half of 1981 at the estimated rate chargeable for the year.

The Directors have declared an Interim Dividend of 1.1p per share to be paid on 1st December 1981 (1980—1p per share).

27 July, 1981

Macarthy's sharply ahead

By Our Financial Staff

Macarthy's Pharmaceuticals yesterday turned in a sharp jump in profits for the year despite a warning at the interim stage of a lower second half result.

Pretax profits increased from £3.1m to £4.6m as turnover rose by £34m to £183m.

The chairman, Alan Macarthy, said that rising overheads were likely to depress the second six months. In the event, the figures were rather better than expected.

The main boost came from the

pharmaceutical manufacturing division where profits rose from a depressed £46,000 previously to £322,000.

There was also a much better contribution from the surgical side where earnings increased from £555,000 to £562,000. Considerably higher profits of £898,000 also emerged from the retailing operations.

Mr. Ritchie yesterday blamed a small reduction in gross margins for affecting the performance of the pharmaceutical

distribution activities, while a depressed home market left the veterinary division turning in lower profits than before.

The current year has got off to a good start, but the group has been operating on tighter margins in pharmaceutical distribution, as a result of increased competition, which is bound to affect overall profitability.

A final gross dividend of 7.1p brings the total payout to 10p compared with 9.2p last time.

In the stock market the shares reacted with a 1p rise

Business appointments

Southern region director named at Midshires

Mr. Norman Griggs has been appointed to the southern regional director of Midshires Building Society. Mr. Griggs has been secretary general of both the Building Societies Association and the International Union of Building Societies.

Mr. J. W. W. Jones, finance director of Alan Richards, has been named chairman of The Hundred Group, succeeding Mr. G. H. Wilson, chief executive of Delta Group.

Mr. J. C. Watken, assistant

Aero & Gen growth rate slows

Great Portland's chairman optimistic

Mr Basil Samuel, the chairman of Great Portland Estates, reports in his annual statement that he expects rental income for the current year, to March 1982, of £14.5m (against £12.5m in 1980-81) and, while interest receivable is likely to be considerably lower, he is confident that the firm's profits will be satisfactory. Generally speaking, 1980-81 has been a year of consolidation, he tells shareholders.

NEI now has 37 pc of APE capital

Northern Engineering Industries, the Newcastle heavy electrical equipment maker, who is making a contested £25.6m bid for Anglo-Northern Power Engineering, has now raised its stake in APE to 37.2 per cent from the previous level of 26.84 per cent. This follows further acquisition of APE shares on Friday at 140p a share—the bid price.

Cautious outlook at Cawoods

Cawoods Holdings' chairman, Mr Edward Baker, says in his annual statement that prospects for the year are even more difficult to predict than usual. In general, Cawoods foresees no signs of recovery in the economy, and recovery, when it starts, is bound to be lengthy. Therefore, it would be imprudent at this stage to make a forecast for the year.

Touche Ross in Italian merger

The merger of accountancy firms Touche Ross and Fidini have been announced in Rome. Using the Touche Ross name, the new firm has 100 partners and professional staff with offices in Rome, Turin, Bologna, Florence and Milan. Touche Ross International chairman Mr Douglas Baker said in London: "The Touche Ross and Fidini merger has great significance for our international organisation. The accounting profession in Italy is going through a period of unprecedented development and our larger representation in that country will be valuable to every member of Touche Ross International and its clients."

American Oil Fields rejects offer for wells

Oil Field Systems Corp., as the general partner in the OFS, Fall drilling programme after

Foreign exchange report

The decision by the Federal Reserve to leave its funds unchanged when most operators had been looking for a cut yesterday sparked off a strong recovery in the dollar on foreign exchange markets.

Sterling, which at one stage reached \$1.875, slipped right back to close at \$1.840 on Friday. The trade-weighted index was 0.3 points higher at 92.3. The United States Treasury Secretary's hint of tighter rates and the big improvement in money supply put the dollar under some pressure on the Eastern market and this was reflected in earlier London trading.

Discount market

Money was short, and the Bank of England gave help on a very large scale to the discount houses. All the assistance was given by outright purchase of bills, a small quantity of Treasury bills and a very large number of slightly bank bills.

LME metal stocks

Stocks in London Metal Exchange official warehouses at the end of last week (all in tonnes except silver) were: copper rose 400 to 112,275; tin rose 1,062 to 7,135; lead rose 525 to 43,525; zinc fell 200 to 85,900; aluminium fell 2,275 to 73,500; nickel was unchanged at 2,406; silver rose 400,000 to 26,760,000 troy ounces.

Commodities

COPPER was steady. Afternoon—Standard Cash, 112,275; 3 months, 112,275; 6 months, 112,275; 9 months, 112,275; 12 months, 112,275. **LEAD** was steady. Afternoon—Standard Cash, 43,525; 3 months, 43,525; 6 months, 43,525; 9 months, 43,525; 12 months, 43,525. **ZINC** was steady. Afternoon—Standard Cash, 85,900; 3 months, 85,900; 6 months, 85,900; 9 months, 85,900; 12 months, 85,900.

Sterling: Spot and Forward

Market rates (pence)	Market rates (pence)	1 month	3 months
New York 2.0450-2.0500	2.0450-2.0500	0.2345-0.2355	0.2345-0.2355
London 2.0450-2.0500	2.0450-2.0500	0.2345-0.2355	0.2345-0.2355
Amsterdam 2.0450-2.0500	2.0450-2.0500	0.2345-0.2355	0.2345-0.2355
Frankfurt 2.0450-2.0500	2.0450-2.0500	0.2345-0.2355	0.2345-0.2355
Paris 2.0450-2.0500	2.0450-2.0500	0.2345-0.2355	0.2345-0.2355
Brussels 2.0450-2.0500	2.0450-2.0500	0.2345-0.2355	0.2345-0.2355
Geneva 2.0450-2.0500	2.0450-2.0500	0.2345-0.2355	0.2345-0.2355
Basel 2.0450-2.0500	2.0450-2.0500	0.2345-0.2355	0.2345-0.2355
Zurich 2.0450-2.0500	2.0450-2.0500	0.2345-0.2355	0.2345-0.2355

Effective exchange rate compared to 1975, was 0.2 at 92.3.

Indices

Bank of England	Market	1 month	3 months
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100

Dollar Spot Rates

Bank of England	Market	1 month	3 months
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100

EMS Currency Rates

Bank of England	Market	1 month	3 months
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100

Euro-Deposits

Bank of England	Market	1 month	3 months
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100

Other Markets

Market rates (pence)	Market rates (pence)	1 month	3 months
New York 2.0450-2.0500	2.0450-2.0500	0.2345-0.2355	0.2345-0.2355
London 2.0450-2.0500	2.0450-2.0500	0.2345-0.2355	0.2345-0.2355
Amsterdam 2.0450-2.0500	2.0450-2.0500	0.2345-0.2355	0.2345-0.2355
Frankfurt 2.0450-2.0500	2.0450-2.0500	0.2345-0.2355	0.2345-0.2355
Paris 2.0450-2.0500	2.0450-2.0500	0.2345-0.2355	0.2345-0.2355
Brussels 2.0450-2.0500	2.0450-2.0500	0.2345-0.2355	0.2345-0.2355
Geneva 2.0450-2.0500	2.0450-2.0500	0.2345-0.2355	0.2345-0.2355
Basel 2.0450-2.0500	2.0450-2.0500	0.2345-0.2355	0.2345-0.2355
Zurich 2.0450-2.0500	2.0450-2.0500	0.2345-0.2355	0.2345-0.2355

Money Market

Bank of England	Market	1 month	3 months
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100

Japan to be biggest lender in London

Without attracting much notice, their activities, the 28 Japanese banks now operating in London have grown so rapidly since last summer that within a year they probably will surpass the major British and United States banks here to become the biggest lenders in town, writes AP-DJ.

But unlike Japanese investors in sectors such as automobiles, television, ball bearings, machine tools and steel, the banking surge is not ruffling any local feathers. That is because the Japanese banks use London as an offshore base, taking in deposits from locations such as the Middle East and lending the funds out to borrowers in Japan or to the international money and syndicated loan markets. They are not yet significant competitors in Britain's domestic banking scene.

Bankers could not put their finger on any single cause for the take-off. But it is clear the Japanese have benefited from a desire by oil exporting countries to diversify their petrodollar deposits, following the Carter administration's freeze on Iranian assets in United States banks. On the lending side, they benefited from Japan's current account balance of payments deficit, which needed to be covered by inward flows of capital.

Japan's Finance Ministry played a part by loosening several of the reins that held back the overseas activities of Japanese commercial banks. Competitive pressures were also at work. As Japan's domestic banking market saturated and profit margins contracted, Japanese financial institutions have focused more attention on overseas opportunities as did the country's steel, auto, electronics and other manufacturing concerns before them.

In some respects it is not surprising that Japanese banks are exerting more muscle overseas. There are more Japanese banks in the world's top 100 ranked by balance sheet size than any other national grouping. Yet at present, only a small portion of Japanese banks' assets and profits come from international operations.

The growth rates of their London branches indicate that they may be changing, however. Total assets of the London branches of Japanese banks and of the banking operations of Japanese securities companies here have grown by 65 per cent during the last year to £57,200m in June. This is more than double the 31 per cent growth rate recorded for the assets of all banks in London.

Privy Council

No liability for off-duty servant Breadwinner assumption wrong

Kooragang Investments Pty Ltd v Richardson & Wrench Ltd. Before Lord Wilberforce, Lord Simon of Glaisdale, Lord Elwyn-Jones, Lord Edmund Davies and Lord Bridge of Harwich. Judgment delivered July 27.

The relationship of master and servant between an estate agent and a valuer did not give rise to an implication that the servant had authority to perform professional services so as to make the employer liable for a negligent valuation carried out by the servant outside the scope of his employment.

The Judicial Committee of the Privy Council dismissed an appeal by Kooragang Investments Pty Ltd, from a judgment of Mr Justice Rogers in the Supreme Court of New South Wales dismissing the plaintiffs' claim against the defendants, Richardson & Wrench Ltd, for damages for loss caused to the plaintiffs from their having advanced money to the client, Mr Richard W. Smith, on the basis of a negligent valuation carried out by the defendant's valuer, Mr Stephen Austin (both of the New South Wales Bar) for the defendants.

LORD WILBERFORCE said that the defendants were a company of real estate agents who employed Mr R. W. Smith as a valuer. During 1972 Mr Rathborne, a partner in the firm, carried out a number of valuations for the client, Mr R. W. Smith, on the basis of a negligent valuation carried out by the defendant's valuer, Mr Stephen Austin (both of the New South Wales Bar) for the defendants.

The plaintiffs had argued that when a servant did an act of the same kind as those it was within his authority to do the master was liable and was not entitled to establish that the servant had no actual authority to do the act. In their Lordships' view that was an extreme position which carried the principle of vicarious liability further than the authorities concerned with the use of vehicles by servants. It was unnecessary to examine the distinctions in which those cases had been given rise.

Law Report

Costs of houseowners' subsidence action

Lamb and Another v Camden London Borough Council and Another. Before Lord Denning, Master of the Rolls, Lord Justice Oliver and Lord Justice Watkins. Judgment delivered July 23.

The Court of Appeal refused leave to appeal to the House of Lords in the case of Lamb and Another v Camden London Borough Council and Another. The plaintiffs, Mr and Mrs Lamb, claimed damages for the subsidence of their house in the Vale of Heath, Hampstead, London, following the breaking of a water main but had rejected the plaintiffs' claim for the damage (nearly £30,000) subsequently caused by a leaking gas pipe.

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Court of Appeal

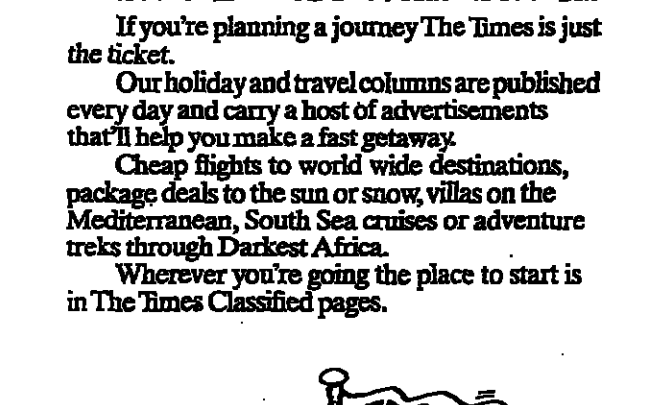
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Wednesday 28th August at 10.30 a.m.
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Wednesday the 29th
ROYAL WEDDING
CONGRATULATIONS
Thursday the 30th 10 a.m.
Carpets & rugs
Abjests d'art
10.45 a.m. Furniture
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FLORENTINE MOSAICS

Tuesday 28 July 1.30 p.m.
GOOD ANTIQUE AND MODERN JEWELLERY

Tuesday 28 July 2 p.m.
CLOCKS AND WATCHES

Tuesday 28 July 2 p.m.
SCRIPTOPHILY, PAPER MONEY AND THE
"F. HUGEN" COLLECTION OF STAMP
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FINE JAPANESE CERAMICS AND WORKS OF
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Illustrated Catalogue £2.50 by post.

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Viewing: Monday and Tuesday.
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Friday 31 July 11 a.m.
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Monday 3 August 11 a.m.
FURNITURE, CARPETS AND OBJECTS

Monday 3 August 2 p.m.
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Tuesday 4 August 11 a.m.
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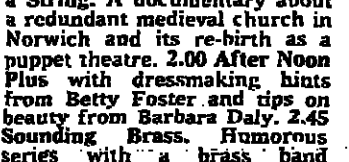
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Word. 9.25 News. 9.30 Film: Bachelor
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Prince in Wales 11.50-12.00 Mumbiv.
12.30 pm-1.00 England Their England.
1.20-1.30 News. Lookaround. 5.15-
5.45 Warzi Garmidge. 6.00 News.
6.02 Crossroads. 6.25-6.50 Northern
Life. 6.55-1.00 News 12.15 am-
1.30 pm

Trampian

Thames except. 9.35 am First Thing.
10.05 Wild. Wild World of Animals.
11.05 Sesame Street. 11.05 Royal
11.15-12.00 History of the car.
12.05-1.00 Gardening Today 1.20-
2.05 News. 5.15-5.45 End of Parl One.
6.35 Summer at Six. 12.25 am-
3.30 Night.

Names except: 9.30am Sesame
 10.30am Hands, 10.55 The Wal-
 ley Classic, 11.05 Spread Your
 11.15am 12.00 Portrait of a
 12.30pm-1.00
 1.20-1.30 News.
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 12.25am Holy and Homely.
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